Relief—A Major Problem (Page 13)

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The Nation's Business

Bank of Canada How Will It Be Nationalized?

The Tariff as Substitute for Salesmanship

What Does It Cost for "Savings" Money?

Nationalizing Bank of Canada

THE new government is committed to "nationalizing" the Bank of Canada. Mr. King will undoubtedly take steps to implement his campaign promises in this respect. But as a sensible man he will, we trust, endeavor to do it in such a way that Canada's central bank will not be brought under the direct control of politicians. This would be fatal to the bank and injurious to Canada's monetary stability.

There are some who feel that the difference between the present privately-owned bank and a "nationalized" bank is the difference between Tweedledum and Tweedledee. The difference cannot, in any event, be very great.

Given a central bank governor susceptible to political pressures and a government desirous of exerting pressure for partisan purposes, even a privately-owned bank would be a political institution. But there is at least an extra and difficult hurdle for the politicians to jump, under the present arrangement, particularly with a thoroughly competent and trustworthy governor in command.

* * *

THE issue of what to do with the bank, in view of Liberal policy, is an important one. That is why this week The Financial Post publishes the first of three articles which set forth the position of the bank and discuss the question of "nationalization."

They are written by A. F. W. Plumptre, an independent authority, whose previous articles on "A Central Bank for Canada," published prior to the establishment of the institution were widely read and in pamphlet form were purchased by many hundreds of people all over Canada.

* * *

The Tariff and Merchandising

CRYSTAL gazing is not necessary to foresee many Canadian firms and industries, that for the past five years have enjoyed generous tariff protection of one sort and another, being denuded of part of this protective covering. The first unveiling may come shortly by means of the removal of arbitrary valuations and Order-in-Council tariffs. There may be another installment next spring when the first Liberal budget makes its appearance.

As a natural result, there will be much talk of curtailed employment, closed factories, shorter hours and lower payrolls. If unwise tariff-cutting is indulged in there will be cause for complaint.

* * *

BUT a good many Canadian firms will have themselves chiefly to blame if the demand for their products falls off. Particularly those who, while taking full advantage of the Bennett emergency tariffs have made little or no attempt to educate their Canadian customers as to the value of their wares; have spent little or no money to establish in the minds of consumers a definite preference for their particular products.

Such firms will be extremely vulnerable if increased imports from other countries enter the Canadian market once more.

* * *

MANY British and American firms over a great number of years have spent thousands of dollars to establish among merchants and the general public goodwill toward their products, have created ready recognition among buyers toward their trademarks or trade name. Unless Canadian articles have done likewise they will be at a serious disadvantage and will have only themselves to blame if they cannot meet reasonable competition from imported products.

There are a considerable number of industries where the firms have got together to "save" the money spent on merchandising and advertising, counting high tariffs an effective substitute.

On such firms rests a very important responsibility to do their utmost in the future to develop their own market and their own Canadian consumers rather than to depend entirely upon action respecting tariffs.

Canada must have a tariff but it should never be regarded as the sole

(Continued on page 2, col. 3)

Power Contracts Dead Compromise in Sight

Fate of Investors Quebec Power Companies Hinges on Toronto Conference

Battle is joined between the Ontario Government and the four Quebec power companies supplying power to the provincial Hydro system.

The power company representatives, aided by two Quebec cabinet ministers and Hon. J. L. Ralston, a former minister under Premier King, have secured a stay for a few weeks of proclamation of the Ontario act nullifying the power contracts. These are with Gatineau Power, MacLaren Quebec Power, Beauharnois Power and Ottawa Valley Power.

Premier Mitchell F. Hepburn declares he wants the amounts called for under the contracts revised by two thirds. The question of price is left in abeyance.

Will Dicker Collectively or Individually

The Quebec Power companies are evidently willing to rewrite new contracts if by so doing bankruptcy of their companies can be prevented. They are willing to deliver and charge for power as needed, including a reasonable reserve against the future. If agreement can be achieved, old contracts will be cancelled and new ones written. If there is no agreement then the act will be proclaimed and Ontario will dicker with whatever companies it can.

Both Premier Taschereau and Premier King deny that they intend to exercise force majeure of any kind on the Ontario government.

Ontario Will Need More Power

Ontario needs the power sooner or later, all experts agree. The Ontario negotiators believe, however, that for a while they can get along without this surplus power and later can buy as needed.

Premier Taschereau denies that he is behind the threat to stop export of all Quebec power to Ontario, claiming that he has not the authority to interfere with inter-provincial trade.

Ontario Hydro-Electric Power Commission officials indicate they are prepared, if necessary, to sacrifice secondary power sales, to buy back power from customers or make any other adjustments needed to entrench themselves while awaiting signing of new contracts.

Attention Turns to New Contracts

Ontario government's desire to have extensive refinancing makes it desirable to have an early settlement. The Quebec government is having an early election and Premier Taschereau would like to see an amicable and speedy settlement.

One thing, however, is certain. The old contracts can be considered as scrapped. The only question now is as to whether new ones can be arranged before cancellation is proclaimed.

For different phases of the situation see page 17.

Quick Work at Ottawa

Mr. King Could Learn from U. S. Presidents Something About Picking Cabinet Ministers

By JOHN BAYNE MACLEAN

Our new Prime Minister has selected his big over-size cabinet within a week or so of his election. Following tradition, it has been selected from Liberal members sitting in the House of Commons. Mr. King went on record, in the case of Senator Robertson, as opposed to using even the best men in the Senate as cabinet ministers.

Tradition and democracy do not call for good administrators. Tradition caused, but did not compel, Mr. King, in hand-picking the House of Commons, to select men, no matter how incapable they are of filling the great executive positions, because, mainly, of their race, religion or province, backed by their party service.

It is not so many years since great consternation prevailed at the first cabinet council of a new government on discovering there was not a Presbyterian among them. Fortunately, politicians have learned to be accommodating and instantly two of the Cabinet, a North Irish Methodist and a Scotch Anglican, found it quite easy to revert to the religion of their ancestors.

Nature of Cabinet

Why a cabinet?

Any man who has built up and has successfully administered a great organization giving good service, permanent employment at good wages, paying high returns to those who invest their money but retaining big reserves for progressive developments and future emergencies, depends upon his heads of departments. In every large business certain departments constantly lag and reduce employment; while good departments, going strong, steadily increase business and hence employment, and opportunities of higher wages and salaries for good men.

Is this not what a Canadian cabinet should be and do?

Should it not serve the people, not the politicians?

Would we in Canada have our frightful wastefulness in government—national, provincial and municipal—causing bankruptcy, excessive taxes, and throwing workers into unemployment, of which these are the direct and chief causes, if it were not that our administrators were serving political rather than useful ends?

United States Precedent

The United States system of managing their national affairs is entirely different. The United States President takes four months to find good men to fill his little cabinet—a diminutive affair compared to our octopus—and even under the new law aimed to end "lame duck" congresses he will have two months. The President is permitted and expected to hand-pick the nation. And before their final appointment they must have the approval of the Senate.

I have not found any sensible Canadian of understanding who does not condemn our traditional cabinet system, excepting the professional politicians, construction racketeers and office seekers. On the other hand, leaders of the two great political parties in the United States and men of experience who have studied their system, regard it as nearly perfect as it can be made and vastly superior to ours.

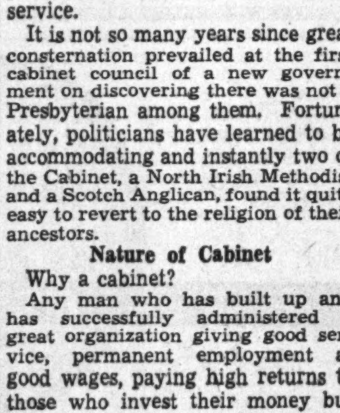
Hand-picking Nation

Under Cleveland, Theodore Roosevelt, Coolidge and Hoover, the national government made great strides in the administration of their national affairs. It has been progressive and efficient in spite of occasional Wilsonian and Rooseveltian ventures into academic democracy.

That progress, Democratic and Republican leaders tell me, is due to their system of hand-picking the nation for its best and most experienced men to fill its executive positions.

I was fortunate in having two very old friends of over forty years standing in United States public life. They each occupied the highest administrative positions in their respective parties. Neither cared for money or office. One was Norman E. Mack, who at the time of his death was the senior ranking Democratic leader. Norman was a Highland Scottish, Gaelic-speaking Roman Catholic from western Ontario. The other was Harry Stewart New,

(Continued on page 2, col. 3)



Wholesale commodity prices declined to 73.0 in the week ended Oct. 18 from 73.2 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

MAJOR SHIFT IN PERSONNEL INSUR. BODY

Life Officers Association Separates from Dominion Mortgage Body

NEW OFFICIALS

John Appleton Retires — Leighton Foster Becomes General Counsel — J. Fortin Promoted

By KENNETH WILSON

This week sees the biggest "new deal" insurance and investment people have witnessed in Canada in many a long day.

The opening move was the resignation last week of R. Leighton Foster—Ontario's colorful superintendent of insurance.

Now, in rapid fire order, comes news:

(1) that kindly John Appleton is to resign after 20 years of service with the Dominion Mortgage and Investment Association and a 15 years association with the Canadian Life Insurance Officers Association;

(2) that Leighton Foster is to become general counsel to the latter body;

(3) that Jules Fortin, Mr. Appleton's energetic understudy for the past twelve years, is to be secretary of the mortgage association which henceforth will be divorced from its running mate, the life association.

More to Come?

It is all rather startling for bodies that have pursued a very even course during war and post-war years. Have pursued courses that for all their peacefulness have harbored two of the most influential forces in institutional and financial matters in Canada.

Sequence of Events

Brewing quietly under cover since last May when a special committee was formed at an executive meeting at Waterloo, the plan was finally consummated this week at Toronto. Important points were the fact that John Appleton (born in Yorkshire the year the Confederation came into being) was nearing the 70 mark and had been in indifferent health for some time.

Another problem also demanding attention has been the increasing size and scope of the two associations. When the mortgage body was first formed in 1916 with Mr. Appleton as its secretary, total assets under administration by member companies were $528 millions. Today the same figure has soared sevenfold to $3.5 billions. Similar growth has been achieved by member companies of the insurance body which now embraces 45 companies with total assets in Canada of $2.3 millions. It was natural then that consideration be given to separating the two bodies, once more, to provide greater scope for future development.

Change in Personnel

Thus the plan developed whereby, in the wake of Mr. Appleton's retirement, Jules Fortin should continue his active association with the Dominion Mortgage and Investment Association and the services of Leighton Foster be sought to serve as general counsel with a view to using his advice and counsel in developing the life insurance body along broader, more active lines.

Roster of Officials

Executive of Dominion Mortgage includes representatives of insurance companies, loan companies and trust companies. Present officers are: T. H. Main, Ontario Loan and Debenture, pres.; J. H. Lithgow, Manufacturers Life, first vice-pres.; C. S. Hamilton, Trusts & Guarantee Co., second vice-pres.

Ford S. Kumpf, Dominion Life Assurance Co., Waterloo, is president of the Canadian Life Officers Association this year, with A. H. Beaton, first vice-president; V. R. Smith, second vice-president.

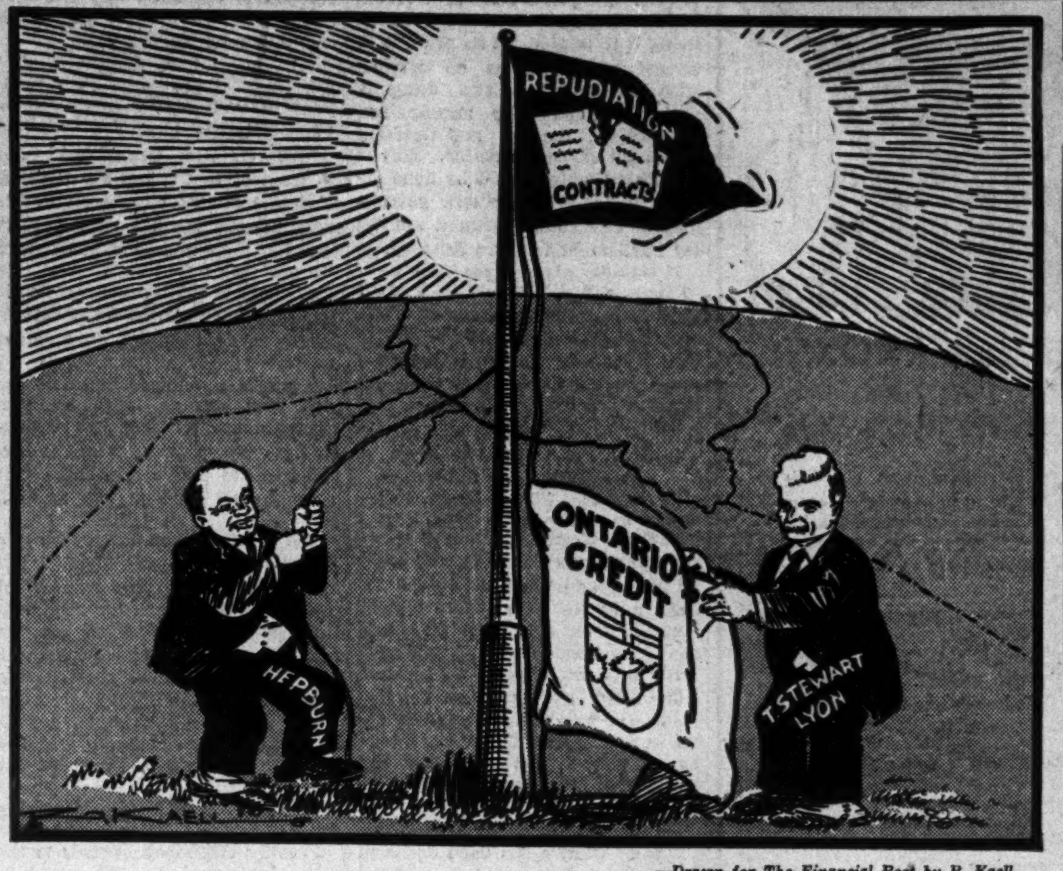
Brief sketches of the three chief personalities involved appear on page 2, while on page 19 is a short write-up of H. D. McNairn, who succeeds Mr. Foster as Ontario Superintendent of Insurance.

Many Changes September List Business Figures

September figures appear in profusion this week; are largely covered in business news on pages 7 and 16. Life insurance sales are covered in that department, page 18.

Comparative figures for ready reference, follow:

Monthly	September	—Change— From Prev. Period %	From Prev. Year %
Pig iron (tons)	54,360	—..	+26
Steel ingots (tons)	90,952	+10	+58
Automobiles, passenger:			
Domestic sales, No.	2,560	—35	—16
Output, No.	3,819	—31	—9
Trucks and Buses:			
Sales, No.	1,427	+1	+50
Building permits	$3,322,026	—22	+46
Newsprint prod. (tons)	223,892	—5	+14
Sugar, lb.:			
Melting & ship.	73,677,075	—0.7	—16
Manufactured	74,056,391	+4	—14
Plank & board exp. mill	112,413	—37	—8
Crude petroleum, imp. gal.	127,018,000	+0.2	+7
Cotton imp., lb.	5,857,000	..	—23
Raw rubber, imp. lb.	3,594,000	—42	—42
Life insur. sales	$26,896,000	—0.6	+2
Fish prod., cwt.	*1,572,000	—	+2
Gold prod., oz.	*294,361	+3	+10
*August.			
Weekly:			
Car loadings, No.	58,371	+0.3	+13
Cattle sales, No.	24,718	—10	—2
Hog sales, No.	15,860	+4	+10



—Drawn for The Financial Post by R. Kaell.

A NEW BANNER FOR THE BANNER PROVINCE

MR. HEPBURN: "How do you think it looks?"
MR. LYON: "You're the boss. If you like it, I like it."
MR. HEPBURN: "Well, I like it only if I can make the people like it."
MR. LYON: "Maybe we'd better make sure before we leave it there."

Bondholders Like Great Lakes Sale

"Fan" mail approving acceptance of the Gefaell-Aldrich offer for assets of Great Lakes Paper Co. is pouring in to the bondholders' committee. In the mail comes the response to a letter sent to all known bondholders last week. Those who were not present, or whose bonds were not voted at the recent bondholders' meeting were requested to express their opinions of the deal which other bondholders had approved.

The committee plans to present the approving letters as support of the deal when asking ratification of the sale in the Supreme Court of Ontario.

Story of opposition to the sale of assets of Great Lakes Paper Co. appears on page 10.

Toronto Elevators Pays $1 on Common

Toronto Elevators Ltd. has declared a dividend of $1 a share on the common stock payable Nov. 15 to shareholders of record Nov. 1. The last previous dividend was paid Sept. 1, 1934. The new payment will come out of earnings for the current fiscal year which runs to July 31, 1936. It is the fourth successive fiscal year in which $1 a share has been paid.

Work on the company's new $400,000 elevator at Toronto is expected to be completed by mid-November. This will be in time to store grain from the 1935 crop. Since plans to expand the storage space were announced, both preferred and common shares of the company have declined slightly.

TRUCK SALES BOOST VOLUME

Many Changes in Standing of Passenger Car Leaders

Canadians spent $4.3 millions on motor cars and commercial vehicles in September according to government figures. This is a two per cent increase over the same month a year ago. Passenger cars sales were lower by 13 per cent, however, the increase being due to a 50 per cent increase in truck and bus sales.

Actual production of cars during the month was lower than a year ago due to a falling off in export demand from England.

Analyses of types of passenger cars sold in Eastern Canada, made by The Financial Post from figures prepared for Canadian Automotive Trade by Mights Directories, show Ford ahead of Chevrolet again by a substantial margin with Dodge in third place.

Comparative figures follow:

Sales of Leading Passenger Cars
(In Eastern Canada Only)

	Sept. 1935	Sept. 1934	Nine Months 1935	Nine Months 1934
Ford	642	672	15,433	10,231
Chevrolet	481	747	11,616	11,450
Plymouth	211	289	5,839	4,755
Dodge	260	232	5,486	4,632
Pontiac	254	91	3,456	1,707
Oldsmobile	225	149	3,989	2,178
Terraplane	69	81	1,552	1,399
Chrysler	63	93	1,460	1,314
McL-Buick	83	126	823	1,739
Packard	47	...	461	....
DeSoto	48	...	423	....
Studebaker	43	46	786	790
LaSalle	36	...	157	....
Hudson	34	44	693	830
Lafayette	27	...	171	....

(Blanks indicate figures not available).

Sales of Commercial Vehicles
(Eastern Canada Only)

	Sept. 1935	9 Mos. (1935)
Ford	322	4,077
Chevrolet	241	3,226
International	129	1,159
Dodge	76	942
G.M.C.	66	618
Diamond T.	28	239
Reo	20	228

Much Unfinished Business Is Left At Ottawa to King

Efforts Toward Transatlantic Air Mail Service Likely to be Made Shortly, With Federal Subsidies as End in View — "Legalized" Combines Sought

From Our Own Correspondent

OTTAWA.—The defeated government has left considerable important business uncompleted. It will not attempt to proceed with matters concerning which there was much campaign oratory.

The regulations for the various new deal laws such as the eight-hour day were never approved.

The proposed pay-off of $8 millions to the Prairie wheat pools in settlement of their claims against Wheat Board wheat was negotiated at Winnipeg. It now appears, however, that it was not ratified by order-in-council at Ottawa.

The director of public prosecutions was not appointed.

The various declarations concerning investigations by the Economic Council of Canada were at the promissory stage when the voting took place. The incoming ministry will have to decide what, if anything, is to be done about delving into the transportation problem, housing and slum clearance and fuel supply and "energy" industries. It is thought likely that none of these investigations will take place.

The trade and industry commission act is in effect but there is no staff to administer it, save Fred McGregor the registrar of the combines act. A complete new set-up is looked for on this front.

May Resume Efforts

Efforts on the part of an Irish syndicate to launch a transatlantic air-mail service are likely to be renewed at Ottawa shortly. This syndicate is represented by C. H. Clendining who has already made several visits to the capital in an effort to interest the Dominion Government in the venture.

An option has been secured by the syndicate on an eastern terminal in northern Ireland, near Lough Foyle. This site, it is said, has been approved by the British Government. Mr. Clendining will seek a suitable western terminal on his present visit. He is believed to favor a site at Sydney, N.S.

The real point to be decided, however, is not the matter of terminals but of subsidies. The syndicate desires a subsidy from the Dominion treasury. It is believed it will seek one from the British treasury, also. Hitherto efforts at Ottawa have been unavailing. There is no immediate likelihood of any change in policy under the new administration.

Approach Commission

Half a dozen groups seeking to form "legalized" combines under the new Trades and Industry Commission bill have approached the chairman of the commission, Hon. George Sedgewick. Three of these groups have been identified in the rubber industry, electrical appliance producers of the Toronto district and operators in the plumbing industry of central Ontario. Other groups, it is stated, are centred at Montreal.

No headway has been made with respect to these overtures because the future of this commission is uncertain. In any event, the present personnel, under Mr. Sedgewick, has power only to recommend legalization to the Government.

It is apparent, at Ottawa, that the King ministry will not exercise this power to legalize combines. On the contrary, however, it will seek to restore the statutory position to that obtaining prior to the Bennett new deal. The position would appear to call for economy of both time and money on the part of those who have planned to seek official approval of combinations.

Highlights

Government's Problems

King Government has clearly defined policies on outstanding problems confronting country. Page 3

Porcupine Transition

After 30 years, Pamour Porcupine's property, being developed by Noranda Mines, is feature. What is behind this sudden prominence? Page 22

Produce

Canadian Commodity Exchange inaugurates trading in butter, cheese and eggs. Pages 14, 15, 16

Canada's Relief Problem

First of a series of articles on unemployment and measures being taken to afford relief. Page 13

Union Gas Co.

Striking success experienced in serving Southwestern Ontario natural gas. Page 4

Hydro Power

All present phases of great poker game started as contracts with Quebec power companies go into melting pot. Pages 1, 17

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FORD PROFITS LARGELY FROM FOREIGN SALE

Margin Low on Higher Sales Volume in Canada

1936 HAS PROMISE

Changes in New Models Less Pronounced Than For 1935; May Benefit Profits

Ford Motor Co. of Canada earnings for 1935 will come largely from subsidiaries, as in 1934, according to unofficial informants of The Financial Post.

The large increase in Canadian business this year has not been as lucrative as might be expected, it is stated. Major changes in chassis and body designs introduced for 1935 models are expected to result in heavy charges for plant equipment against the year's sales revenue.

Influence on 1936

These major structural changes have been avoided in refinements for the 1936 models. Hence maintenance or improvement of sales in the next year should have more than proportionately beneficial results to 1936 earnings from the Canadian business.

In 1934 the company had net earnings, before income tax, of $2.2 millions. Over $500,000 of this came from investments and the remainder was entirely dividends from subsidiaries. The company's own operations showed a loss of $3,288, after deducting depreciation of $1,355,746.

A somewhat similar, but perhaps less marked, result is expected for 1935. Little or no profit in Canada, but substantial dividends from subsidiaries in Australia, South Africa and India.

Prices and Costs

Another factor bearing on next year's earnings is that of price. There are no decreases. Of the 10 body types, four are offered at unchanged prices. Two are increased $5, three are raised $10 and one type is up $20.

The other side of the picture is costs. Prices for many raw materials are higher and may absorb the price increases by raising costs.

The major influence on Canadian earnings, however, is believed to be the outlays required for alteration of models. Since these will not likely be as great for 1936 as they were for 1935, benefits to next year's results may ensue.

Comparative prices of 1936 and 1935 models are shown on page 3.

RIVERSIDE BEER OUT OF BUSINESS; DUMP SUPPLIES

Brewing Corp. Interested in Closure of Ill-fated Brewery

Dumping of beer, ale and porter of Riverside Brewing Corp. into the Detroit River this week marks literal and financial liquidation of the bankrupt firm. It is of significance to Brewing Corp. of Canada.

Riverside is out of the brewing business. It had formerly been an important factor in price-cutting in the Windsor area.

Interests friendly to Brewing Corp. of Canada are understood to have acquired Riverside Brewing Corp. It will be closed down. The Dominion Bank was holder of $67,500 of Riverside first mortgage bonds, it is understood. The bank was to liquidate some of Riverside's current assets. The dumping of inventories in the Detroit River will allow rebate of malt taxes from the Ontario government.

Offering in 1934

Only a little over a year ago J. P. McNair & Co., Toronto, offered 50,000 shares of Riverside Brewing Corp., stock at $3 a share. Only a minor fraction of the block was sold. A financial statement was not issued in the offering circular.

The issue was made in face of the fact that the predecessor company had gone into receivership less than two years before. The Financial Post pointed out at the time of the issue that The Dominion Bank held the first mortgage, that the company had only been out of receivership for a few months and had not established substantial earnings above all charges. The statement for the year ended Aug. 31, 1934, showed a substantial loss when released in April, 1935.

J. P. McNair pushed the Riverside stock. Gustave J. Maertens, Detroit, was president of the company. Fred C. Sebulske, Detroit, formerly sales manager of "Sunnysuds Washing Machine Co.," was sales manager for Riverside.

Expect Maple Leaf Gardens Earnings Above Dividend

Maple Leaf Gardens is expected to show earnings for the year ending October 31, 1935, in excess of the dividend of 35 cents a share just paid on the $10 preferred stock. Last year it earned 21 cents a share, but now a letter accompanying dividend cheques says dividend of 35 cents is "warranted."

A KNOX
from
The Men's Shop

We regard it as our duty to assist each customer in choosing the hat best adapted to his individuality. The new tapered crown sketched here has been eagerly acclaimed by the young men who know their style-charts. But that's only one of many smart hats featured in The MEN'S SHOP . . . Come in and see which one is the hat for you. Each $7.00

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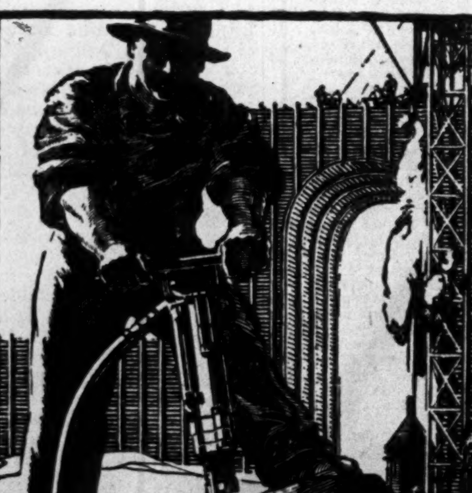

DOWN TO BED ROCK

The Royal Bank is anchored to the bed rock of Canada. Its standing is based upon proven stability.

THE
ROYAL BANK
OF CANADA

The Nation's Business

(Continued from page 1)

prop of any industry. Those manufacturers who back up reasonable protection with sound merchandising can meet almost any situation arising from changes in government.

* * *

Early Action on Executive Tariffs

ONE thing the Liberal Government should lose no time in doing is to implement its promise to amend special taxes on imports such as exchange and dumping duties and end the unrestrained practice of making and altering tariffs by executive action. This is something which could be done almost immediately the new government is formed and without waiting for Parliament to sit in January.

If stability along these lines were to be achieved it would do a great deal to restore confidence in trade—particularly if it were in time to be of value in Christmas business. Much buying has already been delayed for this reason.

Such action should aim to get Canadian business back again to the place where it knows what goods will cost when they are ordered and at whatever port they arrive. In recent months arbitrary valuations have been placed even on goods in transit and these valuations for duty purposes have often differed depending on what port the goods have been cleared.

No business expects to be free from tariff and taxation changes made each year at budget time. They do expect reasonable freedom in between these dates so they can make their buying and sales plans accordingly.

In the past few years executive action at Ottawa has been designed primarily to keep goods out of the country despite all existing tariff and tax regulations. If there were ever an "emergency" which demanded this drastic action it is probably past now and importers and merchants should look for immediate assurance at Ottawa that a more rational course of action will be followed in future.

Let us keep our industries adequately protected but not by unreasonable obstacles, imposed arbitrarily without regard to the policies laid down by Parliament.

* * *

How Much Does This Money Cost?

THE Ontario Government announces that it has $29 millions of public money on deposit in the government's savings offices. The total has increased $8 millions since the province raised its interest rate above that of the commercial banks and took measures to force certain public funds into the government offices.

It is also announced that a 50 per cent cash reserve is to be kept against deposits, which is a reasonable precaution in view of the disturbances to public confidence that so frequently start in governmental policies.

The province pays 2½ per cent on deposits which means about 2 per cent net on the average balances of the public. It costs at the minimum another one per cent to get the money, allowing for expenses not charged in the bank's accounts but concealed in the public accounts.

If half of the deposits are to be maintained in cash the province is paying around 6 per cent for money.

This is more than twice the going rate for provincial bonds.

Premier Hepburn's appeals to the gallery, his contempt for sound financing methods are proving very costly to the taxpayers.

QUICK WORK AT OTTAWA

(Continued from page 1)

happily still living. He occupied a similar position in the Republican Party, and has had a wonderful helpmate in his wife, born in Prince Edward Island and educated at Bishop Strachan School, Toronto.

Believes in Business Cabinet

Mack, with his racial indifference to money and public office and simply a love for doing things, believed strongly in the business type of U.S. cabinet rather than the Canadian type with its opportunities for promotion of politicians. Mack never sought or occupied a government appointment.

The Republicans needed Harry New at Washington and put him in the Senate. Later Harding insisted that he be Postmaster-General and Coolidge did the same.

True, these men were politicians, giving the best in their life to the election of their particular parties. Political cabinets as we have them in Canada would be a decided asset in their party work, but both men believed strongly in the business cabinet of the United States rather than the political cabinet type as in Canada

Agreed on Merits

Then there was the veteran Massachusetts Senator and Speaker of the House, F. H. Gillett, who had made a special study of their form of government. I had gossiped with him on his visits to Canada twenty years ago and later at leisure in the South. The last time we talked he told me that he had recently been chairman, as I recall it, of an official committee at Washington to consider what improvements should be made in their form of government. They were all agreed on the advantages of their present cabinet system.

But to come still closer to their experiences. Harry New many times pressed us to spend some time as their guests in Washington and to have me meet the political leaders. Finally, we arranged to stop there on our way South. We were invited by the president and Mrs. Coolidge to dinner, but at the last moment I found that it was a state dinner for the Supreme Court judges and members of the cabinet. I felt that a foreigner did not quite belong in that picture and managed to arrive in Washington too late.

Coolidge and Canada

Next day, Mr. New took me to make a formal call on the president and express my regrets, which would take but a few minutes. Instead, we were there over an hour and I found no reason to accuse the president of silence or a lack of frankness and confidence in his chat. He immediately asked me what was the political situation in Canada. I said it was not at all satisfactory. Mr. King, the prime minister, had a sure majority of but one in the House, and I felt that even then he could afford more aggressive leadership.

Instantly the president came back at me in defense of Mr. King saying that I was unfair to criticise him under the circumstances. I then made a remark about the advantage of their cabinet system over ours and how fortunate the president was in that he could hand-pick the nation for its best men. To which Mr. Coolidge promptly replied: "That is all very well, but your prime minister has not a Senate to contend with."

This problem was worrying him at the moment. It happened that on the way to call, Mr. New had introduced me to the man from Michigan whom Mr. Coolidge had selected as his Attorney-General, but who had been turned down the day before by the Senate because he had acted at some time in his career on behalf of some large corporations and they feared that influence.

"However," said Mr. Coolidge, "I think our system has very great advantages. It happens at the moment," he continued in effect, "I am at present looking for a secretary of agriculture and have a list of about a hundred outstanding men across the States. I hope to be able to induce one of them to join me in serving the country." The appointment later showed me that he had found an excellent man for that vacancy in his cabinet.

Hoover's Views Similar

That evening the Hoovers came in to dinner at the News's. Mr. Hoover was then doing splendid work as Mr. Coolidge's minister of trade and commerce, which led the Republicans to select him for and elect him to the presidency. We talked about the views expressed by the president in our chat on the cabinet question. Mr. Hoover fully agreed and proved it in the men he later picked himself.

Mr. King contended in the Senator Robertson case that it was necessary for a minister to sit in the Commons ready to answer should a question affecting his department unexpectedly arise.

In the States, and to some extent in England, they overcome this great waste of a valuable minister's time in fighting petty, back township politics. The chairmen of committees represent their ministry on the floor. The minister comes when necessary before his particular committee, and in urgent cases may appear in the House without upsetting the constitution, the U.S. equivalent of our fearful but wise bugbear, the British North America Act. And they do not continually create new ministries to appease a politician or sectional interests.

In these ways the ministers are able to get on with their work.

British System

In England, ministers are successfully relieved by M.P.'s who are parliamentary secretaries. Many of them are very able, wise men. It was common gossip, for example, at Geneva that one of them was responsible for heading off his minister, Lord Cecil, when the dear simple, honest old man almost put England into a Mediterranean war. It was done by a simple ruse. The British navy was to be used. The time was August. Cecil was told it would be better to delay as that month naval officers took their vacations and it would not be fair to interrupt them. He agreed and the proposed demonstration against Italy did not come off. He was under pressure of little nations who had nothing at stake but have too much to say. Nations that should not be in the League where they do much talking but share little of the great expenses and responsibilities.

Mr. King's Opportunity

Could our numerous little provincial governments, with their ever-expanding activities to create jobs for little politicians or to establish schemes of theoretical faddists; or our fearfully over-built railway and shipping systems, have been allowed to come into existence if we had cabinets of able executives at Ottawa intead of politicians selected for their race, religion or petty party services?

Mr. King has now the opportunity to stop much of this. He has selected some good men as assistants, notably the able Dunning as his adviser and administrator in Finance, and the safe, sound Lapointe in Justice. As, from time to time, he rebuilds his cabinet, let him take time to find more men of their successful records and he can, with their assistance, bring to Canada the greatest era of progressive prosperity.

Too Many Departments

Next he has cut and amalgamated cabinet positions, but there is more to be done. For example, the Minister of Finance makes our Tariffs and other Revenue laws. He knows exactly what he intended and what they mean. Is it not absurd to have them interpreted and collections made by other ministers in other departments, and by other officials who have claimed to know better than the Minister of Finance what that minister really meant. If a citizen disagrees with the Revenue Department's ruling on such meaning, he does not, in effect, go to the Minister of Finance to ask him what he intended but must go before a court.

Commonsense suggests the Revenue Department being amalgamated with finance.

HAMILTON COKE STARTS REFUNDING SENIOR ISSUES

Issues $2.5 Millions of 5 Per Cent Bonds

Important refunding operations of Hamilton By-Product Coke Ovens funded indebtedness are imminent. An issue of $2.5 millions 5 per cent first mortgage 20-year bonds will be offered the public at 99½ by W. C. Pitfield & Co., Hanson Bros. and Gairdner & Co.

The new issue will provide funds to redeem the following outstanding issues:

$1,187,400 first mortgage 7 per cent bonds, due February 1, 1943.

$1,269,500, part of $2,269,500 issue of 6½ per cent general mortgage bonds, due July 1, 1956, issued to Union Gas Co.

The capitalization of the company will then stand as follows: $2.5 millions of 5 per cent first mortgage bonds; $1 million of 6½ per cent general mortgage bonds due in 1956 still held by Union Gas Co. as pledge for its 5½ per cent bonds pledged to the bank in connection with bank loans; and 10,000 shares $100 par value common stock owned by parent company.

Earnings Are Ample

Actual earnings of Hamilton By-Product Coke Ovens are now made public for the first time. So far earnings have been consolidated with those of its holding company, United Fuel Investments. S. A. Morse, president, estimates that earnings in the year ending March 31, 1936, will be $420,000. In previous years earnings after depreciation were: $455,936 in 1934-35; $387,095 in 1933-34 and $232,497 in 1932-33. Full earnings statement in the last three years is shown in the following table:

Earnings Statement

	1935	1934	1933
	$	$	$
Oper. profit ...	636,093	672,039	373,361
Less:			
Depreciation ...	128,757	128,346	128,210
Inc. tax (present rate)	51,401	56,598	12,653
Net earn. avail. for bond int. .	455,936	487,095	232,497

Fixed interest charges on the new funded debt will be $190,000 with $125,000 for the issue now being sold. Average earnings of the last five years are stated to have been 2.7 times interest on the 5 per cent bonds after depreciation.

Current assets on June 30, 1935, were $1.4 million and current liabilities $414,167. Properties are carried at $4.8 millions before deducting depreciation reserve of 1.5 million. Further particulars of this company, its holding company, United Fuel Investments, and the parent company of all, Union Gas Co., are given in an extensive article elsewhere in this issue.

Livestock at Calgary

An increase in the number of cattle, calves and horses and a decrease in the receipts of hogs and sheep, was recorded at the Calgary stockyards for the first three quarters of the year. The receipts were as follows: Cattle, 58,666, (compared with 56,640 last year); calves, 9,658, (7,145); hogs, 118,263, (146,382); sheep, 51,860, (59,299) and horses, 3,727, (3,402).

Principals in Life Officers' Reorganization

Jules Fortin

Energetic chief lieutenant to John Appleton, who becomes secretary of the Dominion Mortgage and Investments Association.

Leighton Foster

Ontario's colorful insurance superintendent, who resigns to become general counsel to the Canadian Life Officers' Association.

John Appleton

Yorkshire-born secretary of Canada's senior mortgage and insurance bodies, who retires after 20 years service.

John Appleton has no middle name.

He is plain John—a quiet, friendly, kindly, English gentleman; fond of his pipe, his week-end in the country, his golf and his bowling.

He has for so many years been warp and woof of the major bodies which guide the destinies of life insurance and investment institutions in this country that it is hard to recall that he was once editor of The Financial Post and prior to that financial editor of the Winnipeg Free Press.

That takes us back to 1890, when he first came to Winnipeg from Northallerton, Yorkshire, where he had been a printer and bookseller.

As secretary of the Dominion Mortgage and Investments Association since its formation in 1916 and also for the Canadian Life Officers Association since 1920, Mr. Appleton has been the confidant of insurance and institutional officials through half a generation of the most critical and perhaps the most interesting period in their history. The member companies under his aegis in the investment association now have total assets of $3.5 billions; the 45 life companies whose welfare he tends, boast something over two and a quarter billions of assets.

Indifferent health has troubled Mr. Appleton for some time now so the present arrangement whereby he retires from active management of the two associations at the end of the year but continues in an advisory capacity offers a happy solution for all concerned.

Robert Leighton Foster brings a happy combination of legal and insurance experience to his new position as general counsel for the Canadian Life Officers' Association. The association is the oldest of its kind on this continent (founded 42 years ago) and is unique in that it embraces in its memberships all companies operating in the life insurance field in Canada.

Born in the town of Simcoe, Norfolk county, Ontario, a little more than 39 years ago, he hurried through University of Toronto Schools, McMaster University and across to Cambridge. By the time he was 21 he was back in Toronto reading law with Norman Sommerville (of Price Spreads fame); received his call to the bar in 1920. A year later he was appointed assistant law clerk and secretary of legislative committees at the Ontario legislature. In 1922 he was made secretary of a special committee on insurance legislation which tackled the major job of entirely revising the insurance law of the province. Despite the fact that he was only 27 by the time the job was completed in 1924, splendid work and good connections gave him a highly preferred position for the job of superintendent of insurance when V. Evan Gray resigned that office in that year to become chairman of the Canadian Automobile Insurance Underwriters Association.

Back eleven years ago the office may have glorified the man. Today the man certainly glorifies the office. For Leighton Foster as Ontario superintendent has done a startlingly successful job in raising the entire plane of provincial insurance affairs both in Ontario and through the rest of Canada. Not only is his own department a model of efficiency and accomplishment (his government employers were exceedingly loath to lose him), but as chief sponsor in recent years for the Association of Superintendents of Insurance of the Provinces of Canada he has left no stone unturned for its success, except perhaps to give it a pithy, usable name.

Married in 1921 to a daughter of J. R. K. Bristol, tariff expert of the C.M.A., he has one daughter and two sons. His recreation (outside his legal and insurance cronies) is golf. Although his retainer with the Life Officers' Association will absorb the bulk of his time, he will also set up a consulting practice in fire and casualty law.

Jules Fortin, newly appointed secretary of the Dominion Mortgage and Investment Association, is a Montrealer by birth. At the age of ten, however, he heeded Horace Greeley's advice and moved to Yorkton, Sask. He attended high school there and later enrolled at the University of Saskatchewan.

In 1923, John Appleton "discovered" Mr. Fortin and since that time his days (and many nights) have been devoted exclusively to the affairs of Dominion Mortgage and Investment Association and its sister body, Canadian Life Insurance Officers' Association.

Mr. Fortin, of French-Canadian extraction, is, as one would expect, very dark. He is also short; particular about his appearance and has a keen sense of humor. In his youth he was an ardent baseball and rugby player, and at one time harbored thoughts of taking up professional baseball as a career. He is married and has one child.

His particular forte has been municipal finance. For years he has been in charge of the Association's investigation and supervision of municipalities in distress, more especially those in default. He has also delved considerably into the problem of corporation defaults. He has been the "flying wing" of the association now for many years. Now, as "quarterback," he will have a turn at calling the plays himself.

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Pitblado, Hoskin, Turner, McEwen and Alsaker
Barristers, Solicitors, Etc.
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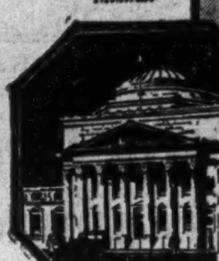

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Dress Suits (2 pieces)
$35 and $40

Dinner Suits
(2 pieces)
$27.50 and $35

White Dress Waistcoats
$5 and $6

Black Silk Waistcoats
$5

Accessories such as "Toppers", white gloves, shirts, ties, shoes, etc., are correspondingly moderate in price.

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Store for Men
Street and Second Floors.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
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Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

STABILITY

Partnerships And The Law

Few partners are aware of the effect which the death of a partner automatically has upon the firm and of the obligations imposed upon the remaining partners by the law. A study of court cases involving the disposition of partnership businesses emphasizes the need for insurance protection to avoid loss to the business or the deceased partner's estate. This is a matter of importance to every business man. Information on these partnership problems is freely available to you by writing our Head Office or nearest Branch Office.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE...WINNIPEG, CANADA

Unshackling Trade Maintaining Credit, First King Objectives

See Early Repeal Orders-in-Council Tariffs and Settlement of Jap Trade Dispute—Press Reciprocity Negotiations With United States

GUARD AGAINST PROVINCIAL DEFAULTS

From Our Own Correspondent

OTTAWA.—Broad policies of the new King Government regarding many of the outstanding problems confronting Canada are now clearly defined.

Order-in-council tariffs will be largely washed out. The reciprocity deal with United States will be pushed forward and if possible enlarged. The wheat board is scheduled for reorganization and sales pressure is to be increased.

Provincial credit will be maintained and a national debt council along the lines already adopted by Australia will be set up.

A national policy in respect to unemployment is proposed. The labor department will be strengthened.

Complete replacement of the radio commission is expected.

So far as the regular tariff is concerned, there will be no change until the 1936 budget. At that time the tariff will be reduced. Meantime the so-called order-in-council tariffs will be either repealed in entirety or severely reduced. The prospects are that practically all of them will be rescinded and according to trade experts in the various departments only one or two of about a score of valuations and duties will affect business.

The bulk of existing order-in-council tariffs, it is reported, are now dead letters, being no longer a factor in business. The exceptions are the seasonal tariffs on fruits and vegetables and the currency dump duties.

Jap Trade

With respect to the latter only the dump against Japan is of importance and it is believed that little difficulty will be experienced in finding common ground with the Japanese government. On this point, however, Canadian textile and rubber goods industry will have to accept a cut in protection.

The reciprocity negotiations will be pressed forward with the utmost vigor. It is realized that if Canada is to have a treaty, the negotiations must be completed before the Roosevelt administration enters its election year (1936).

Reciprocity

It is thought very doubtful if any agreement is possible which will realize the hopes of Canadian exporters in all sections of the country. The trouble, apparently, is not with what Canada is willing to give but what Washington is prepared to concede. Indications are that the new Ottawa government will take what is available and hope to improve upon it later on. This, it is very probable, will result in a bargain more satisfactory to western Canada and Ontario than to Quebec and the maritime provinces.

No Defaults

Pending the result of two efforts to be made immediately the new government takes office, the four western provinces will continue to be assisted by Ottawa. Until the position is clarified no chances will be taken of default either on the part of Alberta or any other province.

The major policy to be advanced in this regard is that of creating a national loans council, along the lines of the Australian council. The proposed council will issue bonds on behalf of a province backed by the credit of the Dominion and all the provinces. In this way substantial reductions in interest payments can be assured the four western provinces and, it is believed, they can be made financially solvent. But they will be required to surrender their right to incur debt to this council—on which they will have representation.

Provincial Rights

A complete scheme, such as obtains in Australia, may prove impossible of achievement in Canada. For the Dominion and all the provinces to surrender their debt creating power to a council—representative of them all—may be asking far too much. Alberta's Premier Aberhart already has pronounced against such a surrender but it is pointed out at Ottawa that he is scarcely in a position, financially, to call the tune.

The proposed council, of course, may meet with strong opposition from Ontario and Quebec whose credit is practically as good as that of the Dominion. In any event the opening move in applying this policy will be made at the Dominion-provincial conference to be held next month. The new Ottawa government will continue to press for a loans council. If it is held to be impracticable at the present time, other and temporary expedients to maintain the national credit and prevent the western provinces from sinking into bankruptcy will be decided upon at the conference.

It is abundantly evident, however, that there is no intention of suddenly and arbitrarily throwing the western provinces on their own resources. The past policy will be continued until a new policy can be worked out and a prime essential of a new policy will be to maintain the solvency of these provinces.

Relief Grants

The present unemployment relief policy whereby the Dominion contributes to the provinces on a basis of monthly grants-in-aid, will be continued pending the formulation of a new national policy. This question, also, will be threshed out at the Dominion-provincial conference. In addition, the proposed National Unemployment Relief commission, representative of all governments (including municipalities) business organizations, labor, religious denominations and social welfare bodies will be set up as quickly as possible. The new Dominion government will seek advice as to a national policy from this commission and will do nothing, in the meantime, to aggravate an already difficult situation.

As this will be one of the first tasks to be taken in hand when the government changes, business organizations—boards of trade, chambers of commerce, etc.—are being advised to take immediate steps to select the best possible men for the commission. It will be an advisory body—the members will not be full time workers—and great reliance will be placed upon its recommendations. The idea is to get the sense of the country-at-large on this problem and to act accordingly.

Wheat Board

A difficult situation may arise with respect to the Wheat Board. Authoritative information at Ottawa indicates, beyond all doubt, that the new government will demand a free hand in working out and applying its policies on wheat. The present board, headed by John I. McFarland, definitely will not have the confidence of the new government. Early this week, however, the present board was still on the job and judging by a statement issued to the press by Mr. McFarland, he has no intention of handing in his resignation. It is plain, however, that if he does not resign voluntarily, the new government will take steps to compel his resignation.

The most probable selection for a new chairman will be E. B. Ramsey, present chairman of the Board of Grain Commissioners. It will be recalled that he was the first choice of the Bennett government for deputy chairman of the present board, but declined to act because he was unsympathetic with the proposed selling policy.

Sell But Not Dump

The first move here is likely to be a speedy investigation, with the aid of auditors, into the precise obligations now resting on the treasury. A cut-off in the operations of the board will be made and the position of the Board's affairs will be thoroughly reviewed. Having discovered the obligations involved, the new government will appoint a board in which it has confidence and will do its utmost to dispose of the wheat.

The policy will be one of consistent sales pressure, without wholesale dumping. "Fire sale" methods will be avoided, but every effort will be made to liquidate Canada's surplus stocks within the current crop year.

Radio Commission

The Radio Commission will be entirely reorganized and the present personnel in charge will be replaced. Premier-elect King has taken exception to the manner in which the present commission is alleged to have permitted political propaganda to go on the air, in the past campaign, without being ticketed as such. He resented, in particular, the "Farmer Sage" broadcasts.

It is the intention of the new prime minister to reverse the recent acts of the Bennett government which tended to lower the prestige of the Labor department. This information is in every way authoritative.

The Labor department was Mr. King's original field of endeavor in public life and he proposes to build it up into one of the major departments of government.

Unemployed Ins. Commission

To this end, the Unemployment Insurance Commission will be abolished and the work of administering the insurance fund will be turned over to the department.

The Combines act and whatever may survive of the Trades and Industry Commission will also be included in the department.

Mr. King recognizes that more capable departmental personnel will be needed. In scrapping the Unemployment Insurance commission he will not allow the services of Tom Moore, one of the commissioners and for years the president of the Trades and Labor Council, to be lost to the public. Mr. Moore is slated to become the deputy minister of the reorganized development and Mr. King will seek a strong minister to head it up.

GUELPH CARPET PROFITS EXCEED 75C. DIVIDEND

Increases in Sales and Working Capital to Be Shown

A dividend of 75 cents a share on the common stock of Guelph Carpet and Worsted Spinning Mills has been declared payable Nov. 1.

This indicates that earnings in the year ended Sept. 30, 1935, compare favorably with those of the preceding year when a similar disbursement was made and profits reached 85 cents a share on the common stock.

Although no definite estimate of earnings is available, The Financial Post is officially informed that sales in the last year have shown a moderate increase and that the common dividend has been earned. The common dividend is payable to shareholders of record Oct. 21. The regular quarterly preferred dividend of $1.62½ per share payable Nov. 1 has also been declared.

The financial statement will not be available until the middle of November. Some improvement, it is expected, will be shown in working capital position. Working capital at Sept. 30, 1934, amounted to $806,325.

Public Utility Earnings

B. C. Power Corp.

September:	1935	1934	Inc.
	$	$	$
Gross	1,117,002	1,937,073	79,929
Oper. exp.	765,060	700,552	64,508
Net	351,941	336,521	15,421
Three Mos. end. Sept. 30.:			
Gross	3,333,073	3,109,473	223,600
Oper. exp.	2,319,930	2,142,358	177,572
Net	1,013,143	967,115	46,028

B. C. Power

September:	1935	1934	Increase
	$	$	$
Gross earn. ..	1,117,002	1,037,073	79,929
Oper. exps...	765,060	700,552	64,508
Net earn.	351,942	336,521	15,421
Three Months End. Sept. 30:			
Gross earn. ..	3,333,073	3,109,473	223,600
Oper. exps...	2,319,930	2,142,358	177,572
Net earn.	1,013,143	967,115	46,028

Peat Fuel in Ontario

The Stratford Beacon-Herald says in a recent issue: "A. Anrep, a European engineer, contributes several columns to the current issue of The Financial Post, and his topic is 'Peat's Chances in Canada.'

"In one place the engineer says:

"'The writer is unaware of any peat fuel being manufactured at present in Canada.'

"If Mr. Anrep cares to drive to Stratford, then turn out on the Mornington Road until he reaches Gadshill he will have to turn left there for less than two concessions before he comes to a place where the turning out of peat is now in its third and most successful season.

"He will find there a deposit of some 1,400 acres where production has reached as high as 25 tons per day, and he will also find that it is being sold about as quickly as it is fit for use."

Editor's Note: Dominion Government statistics for 1933 report 1,131 tons of peat fuel produced in Canada, value $3,449. Only two sources were mentioned: St. Hyacinthe, P.Q., and Chesterville, Ont., the latter being 200 miles or more from Stratford.

The 1934 report shows 1,878 tons of a value of $7,343 produced in Canada, all from Ontario bogs.

Peat fuel was produced this season at Morewood, Ont. and at Gadshill; also at a small bog near Orangeville. Further, some experimental work on the recovery of peat by-products was carried on in London.

The Gadshill Peat Works, whose owner has installed four small pug mills on the old Dolbey style, using old motor engines for power, was described in the "Stratford Beacon-Herald" of August 10 last. At Morewood and Orangeville, operations consist simply of digging and stacking, and it is understood this method is also being used near Timmins.

Some small Toronto dealers have recently offered peat fuel for fireplaces.

BILTMORE HATS SALES IMPROVE; PROFITS HIGHER

No Dividend Action Expected Before December Board Meeting

With volume of sales up, profits of Biltmore Hats Ltd. in the fiscal year ending Nov. 30 will be higher than in the preceding year. This is a continuance of the trend recorded since the company was incorporated in 1929.

In every year improvement has been shown in profits. Earnings in the year ended Nov. 30, 1934, were the equivalent to $2.05 per share on the common stock.

Sales Well Ahead

Although no definite estimate of earnings is available, F. R. Ramsey, president and general manager, informs The Financial Post that the company has enjoyed a satisfactory year and that sales are running well ahead of last year. Excellent results, it is stated, are being obtained from the new advertising programme recently inaugurated by the company.

Rumor of a $1 dividend on the common in January next has no official basis other than the improvement in earnings and the payment of a similar amount in January of this year. No consideration has been given by directors to the question of common dividends, and no action will be taken until the December meeting of the board. The last payment was 50 cents a share in July, 1935.

New Fords Set '36 Motor Pace By Price Jumps

Six out of ten new models of the 1936 Ford report higher prices than in 1935, according to an official announcement made this week by the company. The other four cars—de luxe, 5-window coupe; tudor and fordor touring sedan; and cabriolet with rumble seat, show no change compared with a year ago.

Ford figures are awaited with wide interest by the trade. They often give the lead for the price trend among smaller cars for the season. The slight increase in prices, where possibility of a decrease had been anticipated, is therefore of wide significance, especially as few, if any, price lists have been published as yet outside of Buick.

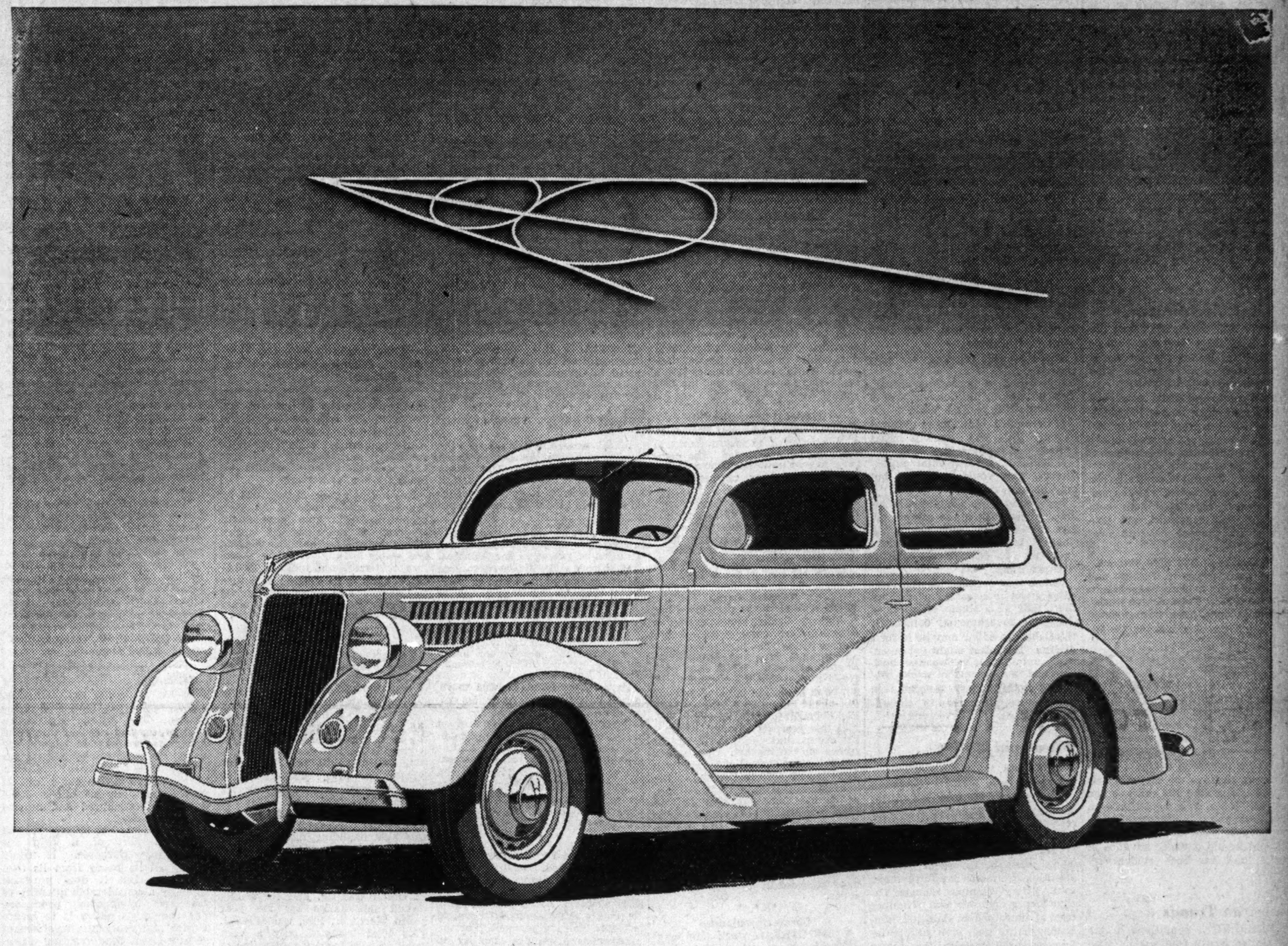
Figures are as follows:

Comparative Ford Prices
(F.o.b. factory without taxes)

	1936	1935
	$	$
Five-window coupe	665	645
Five-window coupe, de luxe .	710	710
Tudor sedan	675	665
Fordor Sedan	755	750
Tudor touring sedan	750	750
Fordor touring sedan	830	830
Roadster with rumble seat ...	725	715
Phaeton	735	725
Cabriolet with rumble seat ..	815	815
Three-window coupe, de luxe	725	720

Fishing Industry

Persons employed in the fishing industry of Canada in 1934 numbered 83,396 compared with 79,548 in 1933. Capital investment in plant, gear and equipment in use in the industry rose from $40,914,057 to $43,377,531. Marketed value of the production from inland fisheries showed an increase of $4,780,585 compared with $4,063,358 in 1933.



THE NEW FORD V·8 FOR 1936

Why do we say The *New* Ford V-8 for 1936?

What is *new* about it?

Of course, the newest engine in the low-price car field is still the V-8 engine. Since Ford made it available to all car users (keeping it as economical as cars with fewer cylinders) the Ford V-8 has been the newest engine on the market, and remains the newest for 1936.

You may buy a car on minor "talking points"—some specially advertised feature "with the car thrown in"—but, after all, it is the engine you buy when you buy a car. Hence we put the engine first.

Other new points about the car make a long list.

Its lines are much more beautiful. The hood is longer and sweeps forward over the distinctive new radiator grille, giving the car a length and grace that are instantly impressive. The fenders are larger, with a wide flare. Horns are concealed in circular grilles beneath the headlamps. New steel wheels.

Ford upholstery—always of sterling quality and excellent taste—is rich and enduring. The appointments of the car have a new touch of refinement. There is no question about the increased beauty of the Ford V-8 for 1936.

In more practical matters, many improvements have been made—Steering is made easier by a new steering gear ratio. The cooling system circulates 4½ gallons of water through a new, larger radiator. Natural thermo-syphon action is assisted by two centrifugal water pumps. New louvres permit a rapid air-flow around the engine.

Easier, quieter shifting of Ford gears—The gear shift lever now travels a shorter distance.

The two qualities you want in brakes—Brakes that stop the car with ease and certainty. Ford Super-Safety Brakes of the long-tested, foolproof, mechanical design.

Safety—as always—in the electrically welded genuine steel body. Safety Glass all around at no extra cost. Hundreds have written grateful letters because this glass has protected the safety of their families.

A car you can drive without strain all day, if you like, in city or country. Steady, holds the road, responds to the driver's touch like a well-trained horse. You don't have to "push" or "fight" the Ford V-8—driver and car easily get on terms of good understanding with each other.

An engine has much to do with the roominess of a car. Very much indeed. A long engine uses up car space. The compact V-8 engine permits much of the ordinary engine space to be used by passengers.

It really is a great car in every way, this 1936 Ford V-8—the finest, safest, most dependable Ford car ever built. Get complete details at your nearest Ford dealer.

LOW FORD V·8 PRICES

TEN BODY TYPES — Coupe (5 windows), $665. Tudor Sedan, $675. Fordor Sedan, $755. De Luxe Roadster (with rumble seat), $725. Coupe (3 windows), $725. Coupe (5 windows), $710. Phaeton, $735. Cabriolet (with rumble seat), $815. Tudor Touring Sedan (with built-in trunk), $750. Fordor Touring Sedan (with built-in trunk), $830.

F. O. B. Windsor, Ontario. Bumpers, spare tire and taxes extra. All Ford V-8 body types have Safety Glass throughout at no additional cost. Convenient, economical terms.

SEE YOUR NEAREST FORD DEALER FOR COMPLETE DETAILS

Investment Trends

Averages Move Erratically
Economic Conditions Warrant Confidence
Consequences of Government Deficits

Stock market averages have moved upward, perhaps too rapidly. There is evidence of bull manipulation in New York. A corrective recession in the near future would be nothing extraordinary. There is no indication, however, that distress selling of stocks is probable because floating supplies are relatively small. Basic economic conditions are favorable to business in Canada and the United States. This remains the foundation for long-term strength in stock markets.

Outbreak of peace in Europe would be a change for the better, and may not be as improbable as alarmists would like to think. The difficulty is for Mussolini to extricate himself; to attain peace not only with honor but also glory.

Messrs. King and Taschereau are not greatly amused with Mr. Hepburn's Hydro policy. The Ontario Hydro repudiation act which was tabled on April Fool's day now looks to them like a Hallowe'en affair. A compromise seems likely.

Dangerous Psychology

WHEN the investing public and stock market tipsters become optimistic at the same time, it is often a sign of storms ahead. Just now, the feeling of friendliness toward the rise of stocks appears to be contagious. In view of the absence of new security issues, this may be a potent near-term force for the advance.

Looking at public psychology for the longer term, however, the usual result of widespread stock market optimism is a weakening of prices. This may not come until public participation in stock investment has widened. At present there is an absence of the usual danger signals, the crowded board rooms and high volume of trading. These may come with persistence of firmness in stock markets.

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Unusuals in Averages

TORONTO Stock Exchange industrial share averages made a new high for 1935 in the past week, based largely on movements of what the Americans call "specialties."

The Toronto industrial average is more volatile than that of the Montreal Stock Exchange. The Montreal average has climbed sedately above 60. Its comparative sluggishness is attributable to textiles and construction shares. These are naturally less volatile than Toronto's whiskey and food issues; especially with construction still depressed and possible tariff changes hanging over textiles.

Movements of averages and individual share prices in Toronto and Montreal bear a close resemblance to those in New York. Active stocks, market leaders, have been forging ahead, perhaps overstressing the advance.

The Dow-Jones average of New York industrial stocks is close to 140, well above what are considered danger points. But the rail stock average lingers in the early 30's, although it has recently shown strength. As in Toronto, movements of active shares have advanced the New York industrial average. As in Montreal, disfavor of capital goods industries has kept the rail average sluggish. If the rails were to rise in New York, and if the Montreal average were to show greater strength, it might herald a wider advance of stocks than has been evident recently.

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American Trends

UNDERLYING conditions in the United States continue to show improvement and potential volatility that could boom stock markets. Higher car loadings have not lifted the gloom of rail stocks, but show that business is still gaining ground. General business indices are making new peaks. Firm commodity prices augur increased agrarian income.

Expansion of reserves of member banks of the Federal Reserve System to record levels is important. Also noteworthy, the U. S. gold stock has risen $3 billions to $11½ billions, due to continued imports, since devaluation of the dollar. The enormous inflationary credit base is still expanding.

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Financial Weakness

DESPITE improvement in economic conditions, Canadian public finance marches blithely along the road that may lead to a financial crisis.

Here is one expert analysis of this situation:

Credits of the Canadian banking system abroad are being drawn down gradually. Governmental deficits and heavy expenses for unemployment relief remain, despite higher exports, greater tourist trade, increased employment, expanded volume of business.

Three possible remedies are suggested:

1. Renewal of borrowing abroad. This is unlikely in London, and is barely possible in New York.

2. Continued increase of national income. This is a hope. It might remedy deficits by raising revenue.

3. Reduced governmental expenditures. This would be painful, but may be unavoidable.

Borrowing abroad might only allow our governments to conceal the fact that we are living on capital. That this is a fact is shown by steady decreases in Canadian banking credits abroad.

Unless one or other of the remedies effect a cessation of deficits, there may be a slump of prices of Canadian governmental bonds. Or the Canadian dollar may be in for a decline. The latter might not be entirely unfavorable to Canadian business and investments in stocks. But there's nothing very favorable in this picture for prices of governmental bonds.

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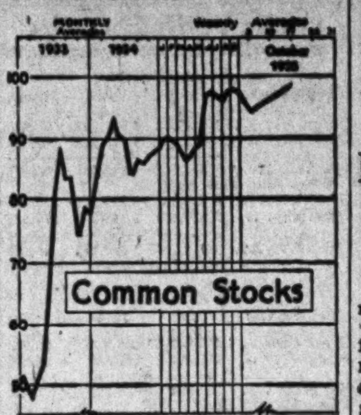
Wheat and Milling Securities

WHAT may prove a dangerous individuality was shown for one day in the Winnipeg wheat pit recently. Prices slumped on reports that the Canadian wheat board was to become a heavy seller. Meanwhile prices at Liverpool paid no attention, from one day to the next, to the jittery Winnipeg changes. The significance of this is that Winnipeg may at times reflect Canadian conditions rather than international influences. Fortunately, the recent shake-up was not in the stupefying direction of an arbitrarily high level.

For the investor the importance of Winnipeg and Liverpool wheat price relation has a direct bearing on Canada's milling industry which had a wide investment interest. Milling firms depend on maintenance of only a "normal" price spread between Winnipeg and Liverpool for their ability to compete for export business.

Shares of milling companies have risen because of the improved outlook for flour exports. This prospect only remains improved, however, as long as Winnipeg wheat prices do not run up too far from those at Liverpool. Millers have been noting betterment, but are "touching wood." Investors in milling securities might well do likewise, at the same time keeping an eye on wheat prices.

Stocks Rise



Common stock prices as measured by the Dominion Bureau index had a pronounced rise in the week ended Oct. 18. Since that time, there has been readjustment. Indices are tabulated on this page.

Investment Notes

Like Royalite

PEOPLE who should know the situation think highly of Royalite Oil The recovery in price of the shares is largely psychological, pressure of offerings based on the social credit scare having lifted. For the long run, however, improved earnings and dividends are expected, provided the Alberta government does not try to kill Royalite development. While the 1929 high of $200 a share was fantastic, so was the 1932 low of $3.95 a share.

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National Breweries Up

FIRMNESS of National Breweries is attributed to improvement in the company's earnings. The company has an important share of Ontario bottled beer business. Last year shareholders were a little disappointed that the dividend wasn't raised. Some sort of extra payment is warranted and would not be unexpected. Recent earnings have been well in excess of the $1.60 a share paid, which returns a yield of only 4.3 per cent at $37 a share.

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Asbestos Corp.

FOR several weeks past there has been a steady accumulation of Asbestos Corp. common shares and income bonds. The buying has been put through Montreal brokers for English accounts. While it is generally known that the company will not be in a position to pay dividends for some time, despite the marked improvement in operations and earnings this year, an unidentified English group is taking all the stock that comes on the market. One broker estimates that control of the common stock is now held in England, while over $1 million of the $2.3 millions of income bonds is held by the same interests. No one seems able to fathom the reason for this buying. It is not altogether due to the improvement in the company's position. There is a more important cause, but to date the English group have managed successfully to keep it under cover.

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Cheap Speculations

A MONTREAL stock firm suggests, among others, three low-priced common stocks as meritorious. They are: Canada Cement at 6, Dominion Tar at 4¼, Foundation Co. at 11. All three await revival of construction trades to feel the impulse of improved earnings. Foundation Co., however, is the only one without senior securities.

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Canadian Hydro

IT IS no secret that if Gatineau Power Co. loses the Ontario Hydro business, Canadian Hydro Electric Corp. will not be able to continue dividends on its first preferred stock; in fact, the stock won't be worth much more than the paper it is printed on. Consequently there has been a steady decline in the value of the security, accentuated in the past week by the news that T. Stewart Lyon, chairman of Hydro, has recommended that the contracts be cancelled. Despite the very unfavorable hydro power news, two Montreal brokers report good sized orders for Canadian Hydro stock around the 40 mark. Purchase at this time is unusually hazardous unless one has a good idea of what is likely to be the outcome of the present negotiations. The buying in the last few days has been coming from Toronto!

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Montreal Power

MONTREAL Power's stock has reacted in the past few days on the news of the Ontario Hydro and Quebec power companies' difficulties. Though this company is primarily interested in the production and distribution of power in the Montreal area, it has a stake of several million dollars in Beauharnois, and no company, even as wealthy a one as Montreal Power, can afford to have an investment of that size jeopardized. While no official information has ever been given out, it is generally understood that Power has a minority control of the common stock in Beauharnois. Also it holds a large block of the general mortgage and first mortgage bonds and, in addition, has underwritten over $6.5 million of the first mortgage bonds. A call has not been made on the latter but it remains a contingent liability. In all Montreal Power is estimated to have between $5 and $10 millions in Beauharnois—an investment that would be weakened if Ontario Hydro refused to buy power.

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Investment For Six Per Cent

BEING unlisted, Canadian General Investments common gets scant attention and continues to sell below $6.50 a share. Earning and paying 40 cents a share annually the yield is better than six per cent. For the investor who prefers stability to excitement the shares offer an opportunity to purchase an unusually diversified investment list at less than liquidating values.

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Walker's Dividend

WHEN the Hiram Walker-G.&W. debenture issue is floated, the road will be fairly clear to payment of something on the common stock. Investment of liquid assets, and more, in the U.S. distillery business has barred payments on the common stock. Dividends are becoming possible, if not probable. And only they can justify maintenance of a firm market price for the shares.

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Imperial Tobacco and Prices

WOULD a cigarette price-cut hurt Imperial Tobacco Co. of Canada? This week W. C. Macdonald Inc. offered its "blends" at 24 for 20 cents. This is the equivalent of four extra "fags" for the same old price. After deducting the excise tax of $4 per 1,000, the "blends" price means a retail sales price of $5.20 per 1,000, against the regular $6 per 1,000, a cut of 13-1/3 per cent.

Ralston Joins Board
Canada Northern Power

From Our Own Correspondent

MONTREAL. — Announcement is made of the election of Col. J. L. Ralston to the board of directors of Canada Northern Power Corp., subsidiary of Power Corp. of Canada.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
Weekly Figures, 1935:										
Oct. 3	114.1	12.1	59.8	201.2	60.1	130.0	119.1	144.1	44.3	94.7
Oct. 10	113.6	12.1	59.8	205.8	60.2	130.5	119.6	147.5	44.1	96.3
Oct. 17	118.0	12.4	60.4	212.7	62.9	133.0	126.0	151.4	45.8	99.0

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 22	115.26	104.81	93.92
Oct. 21	115.52	105.72	93.85
Oct. 19	113.77	105.15	93.58
Oct. 18	112.54	103.85	93.86
Oct. 17	112.56	103.99	93.91
Oct. 16	112.24	104.13	94.45
Month ago	103.79	104.19	91.00
Year ago	100.93	120.91	83.53
High, 1935	115.52	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 22	61.9	60.4	60.9
Oct. 21	62.1	60.6	61.1
Oct. 19	62.3	60.4	61.0
Oct. 18	62.1	59.2	60.1
Oct. 17	61.7	59.1	59.9
Oct. 16	61.9	59.4	60.3
Month ago	59.5	57.2	57.9
Year ago	62.0	57.0	58.7
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	54.8	56.1

Union Gas Co. Forges Ahead On Western Ontario Fronts

Puts Natural Gas into London Area—House Heaters Spell Heavier Future Sales

Union Gas Co., Ltd., of Canada is moving forward on all fronts.

With the turning of natural gas from the Dawn field into London mains in late September, it has accomplished one main objective of serving a large number of municipalities from Windsor to London, inclusive, with nothing but natural gas. It had the gas and it now has the markets.

One can safely prophesy that the company has also put the other great section of its enterprise in the Hamilton area in financial shape to enable the company to refund a major part of its indebtedness on a lower interest rate basis.

Reducing Rates

On the operating side the company has been reducing gas rates during the depression to its customers in various municipalities so as to maintain a favorable competitive position. With this impetus sales volume is expected to increase. More particularly the company looks for great advances in the market for heating houses by natural gas in the whole southwestern area of Ontario.

The company depends on friendly relations with the municipalities and the consumers it serves. Every additional sale of natural gas for heating increases the use of natural resources and reduces the need for Ontario to import coal. That makes the industry one of major importance in the solution of the fuel problem of southwestern Ontario.

Changing Over

The switch-over to natural gas in London was made on September 23. Then a small army of 325 workers swarmed into the homes of London to change over the 30,000 appliances to suit the new gas. Practically all the natural gas produced in Ontario has 1,050 heating units per cubic foot to 520 heating units per cubic foot of artificial gas, hence the change-over. This job was done without expense to customers.

In all probability, however, the volume of natural gas sold will soon be as great as before. The reason for this is that the company has had an unexpectedly large response to its efforts to induce its consumers to heat their homes by natural gas. The company had expected about 250 customers in London in this first heating season. It is therefore most agreeably surprised to find that 1,100 customers have applied already for gas for heating.

Heating of houses is regarded by the company as one of its most promising fields. One furnace will consume as much as six homes which use the gas only for cooking and water heating. It hopes, therefore, that more and more of its 14,000 customers in London will turn to this means of house heating just as have consumers in its older natural gas market.

More Profit

To encourage the use of natural gas for heating the company rents burners with manual control at $8 a year and with automatic control for $20 for the first year and $15 a year thereafter. The consumer has the right to buy at any time with the rentals paid considered as part payment. Manual burners sell for $50, $60 and $70 and automatic burners at $120, $135 and $150 equipped with every safety device known. The writer saw a gas bill in Chatham for 12 months in a 7-room house. The total for last year was $129 including furnace, water heater, fire-place and gas stove.

Profits

Consolidated net operating profit of Union Gas Co. and its wholly owned subsidiaries for the year ended March 31, 1935, was $954,311. This total included only a very small amount from the operation of City Gas Co., which is its London subsidiary. Costs of the latter company had risen because of increased coal prices. While serving manufactured gas the London subsidiary could not earn a proper return on the investment. It can do so by serving natural gas. In addition to that benefit the Union Gas Co. will receive the revenues which, under manufactured gas operations would be paid outside the consolidated companies for coal and other costs of manufacture. The natural gas operations will also allow the London subsidiary to build up a large heating business, thus increasing its sales.

City Gas Co. put the matter up to London ratepayers thus: "We will bring you a better gas from the Dawn field if you will give us the right to do it. We and you will no longer be tied to the fluctuating rates for coal in the United States. We will be using an Ontario fuel resource. It will be advantageous to you and it will be advantageous to us. We will make all the capital expenditures needed but we cannot do it without your consent."

Made Quick Delivery

The citizens of London passed the necessary by-law by a city-wide vote on June 11. The company immediately got busy on constructing a high-pressure 10-inch pipeline from the Dawn field 58 miles to the west. It spent about a million dollars on this enterprise.

At a regulator station in London the gas is stepped down from a pressure exceeding 50 pounds to the square inch to less than 5 pounds to the square inch for the intermediate pressure lines. At strategic points this gas is delivered to the low pressure lines from which, at a pressure of about 4 ounces to the square inch, it is delivered to all appliances for consumption.

The company has 426 producing wells in all its producing fields.

A representative of The Financial Post questioned some technical men engaged in superintending drilling activities of the company and in assessing geological possibilities as to the probable duration of such resources.

Enduring

A summary of replies received might be boiled down into the following composite answer:

"We think it conservative to estimate that from present developed resources the company can supply its present markets for many years to come. But that is only considering the problem as it exists. In a few years from now the natural gas resources of Ontario in sight may be very much greater than what is indicated now. And the demand may be greater also.

"Here in Ontario we have barely scratched the possibilities of exploration for natural gas as compared with what has been done in various favorable areas in the United States. We consider the southern strip of Ontario from Windsor to Niagara Falls a favorable area for such exploration and none can say just what will be found in the next few years. Continual exploration work is going on and if large new producing areas are developed there is no great barrier against conveying natural gas to other markets in central Canada not now served. They have transported natural gas hundreds of miles to markets in the United States.

"Ontario, so well dowered in nearly every other respect, has lacked fuel resources. Any such development would be of great value therefore. It is quite possible that the period during which natural gas resources will be available to Ontario citizens will cover several generations. It is reasonable to look on the resources already tapped as a great encouragement to search further under skilled direction."

Government Controls

Union Gas Co. has 2,340 miles of pipes for delivering gas divided as follows: gathering, 120 miles; transmission, 370 miles; distribution 1,100 miles; and service lines into customers houses and plants, 750 miles. Its resources of natural gas are estimated by company's officials to exceed 100 billion cubic feet. It supplies annually 5.5 billion cubic feet of manufactured and natural gas to customers.

The company has 130,000 acres of leasehold, part of it held for exploratory purposes. It could supply all its needs from its own production but it does purchase annually a considerable quantity of gas from independent producers. The company's policy is to secure a wise and economic development of new areas, thus avoiding wasteful practices which have been prevalent in other fields in the United States and Canada. Every action is taken under the scrutiny of the natural gas department of the Ontario Department of Mines. There is a gas referee who passes on all rates charged to consumers and municipalities.

One well in Raleigh township, just across the line from Tilbury East, is regarded as the starting point of the existence and fortunes of Union Gas Co. It "came in" at 6 million cubic feet per day. To D. A. Coste, first vice-president of Union Gas Co. and to Eugene Coste, his brother—a geologist and director of the company—goes the credit for pioneering this discovery. Volcanic Oil & Gas Co. was formed and they started to supply Chatham only to find the production dropping in two or three months—a phenomenon well known in the first two years' history of Ontario natural gas wells. They had to bestir themselves with other wells to keep up the supply.

The later history of Union Gas Co. has been one of increasing wells and total output yearly to meet increasing sales, of uniting with other companies when the time seemed ripe so that there would be co-ordinated dealing with the various markets served and of buying control of retail marketing units such as City Gas Co. of London so that, as the need arose, there would be markets available for new gas found.

Enters Hamilton

As one of the results of this forward-looking policy of acquiring major gas markets in southwestern Ontario the company got control of United Fuel Investments. That company in turn controlled United Gas & Fuel Co. which distributes gas in Hamilton and United Suburban Gas Co., which distributes in Burlington, Burlington Beach, Oakville, Bronte and nearby townships. It also owned Hamilton By-Product Coke Ovens, which manufactures the gas for both these distributing companies and in so doing makes important by-products of coke, sulphate of ammonia, tar, light oil and benzol.

Union Gas Co. board has been criticized by some shareholders for this move.

They did not look so far ahead as the directors did. It is true that in acquiring control of this large market Union Gas Co. was required to make certain commitments which up to this time have not shown a return to the company. Nevertheless this Hamilton group has been able to carry itself through the depression in the face of keen competition and increased costs. Under happier conditions it is hoped that this group will prove to be a profitable investment for Union Gas Co.

Improvements

Continuous improvements are being effected at the plants of Hamilton By-Product Coke Ovens. With 60 ovens installed there is a capacity for coking 1,100 tons of coal daily. From this can come each year 300,000 tons of coke, 3,300,000 gallons of tar, 4,250 tons ammonium sulphate, 800,000 gallons of light oil or motor benzol and a saleable gas production of 2.4 million cubic feet. It has a dock capable of receiving by boat and storing 360,000 tons of coal and a handling bridge which can handle 400 tons hourly. This ability to bring in coal by boat and handle it swiftly and economically is an important factor in the success and prospects of the company.

It distributes its coke in Hamilton, Toronto, and in most parts of southern Ontario. Other products except gas are sold in Canada and export markets.

Union Gas Co.

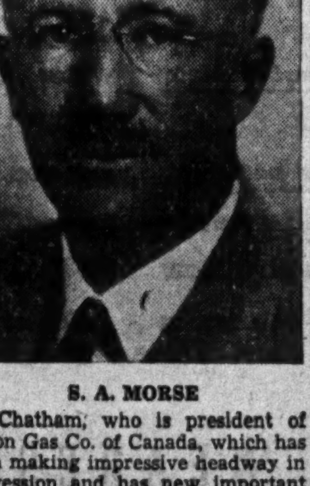
Union Gas Co. of Canada is engaged, both directly and indirectly, through its subsidiaries, in supplying natural and artificial gas to various districts in the southwest portion of Ontario. The gas market of the company and its subsidiaries extends from Windsor on the west to Oakville on the east, its principal operations, however, being in the Ham-Hamilton area.

The company through its subsidiaries owns gas leaseholds on more than 200,000 acres in southwest Ontario, on which are located over 400 producing wells. The system has gas manufacturing plants in Hamilton, London and Windsor.

Through its subsidiaries the company is also engaged in the coking of coal, from which it derives coke, gas, sulphate of ammonia, motor benzol and tar.

Subsidiaries of Union Gas are as follows: Windsor Gas Co., City Gas Co. of London, Empire Land Co. and United Fuel Investments. Through the latter company it controls Hamilton By-Product Coke Ovens Ltd., United Gas and Fuel Co. of Hamilton and United Suburban Gas Co.

Officers of the company are as follows: G. R. Cottrelle, chairman of the board; S. A. Morse, president and general manager; D. A. Coste, 1st vice-president; R. L. O'Brian, vice-president; and R. L. Bevan, general manager, natural gas division.



S. A. MORSE

Of Chatham, who is president of Union Gas Co. of Canada, which has been making impressive headway in depression and has new important plans for financing and development.

Radios in Quebec

Producers' sales of 3,979 radio receiving sets in Quebec during the second quarter of the year represented 16.7 per cent of the Dominion's sales, which totalled 23,811.

Dosco Steel Mill Activity Nears Normal

From Our Own Correspondent

MONTREAL.—Steel production at the plants of Dominion Steel and Coal Corp. is 92 per cent of the 1929 output, which is regarded by the company as a normal year, according to a statement made by Sir Newton Moore, president of the company. During 1934 the steel mills operated at 65 per cent of "normal" so that the returns for the current year indicate better than 40 per cent.

"Great Britain," Sir Newton said, "is now buying certain steel products formerly purchased in the United States; South Africa has bought about 20,000 tons of steel rails recently and Australia and New Zealand are also customers. Also an order was recently filled for Peru."

Sir Newton does not anticipate any change in connection with the Government subvention to the Nova Scotia coal industry as a result of the change in government. "I should think the Government," he said, "would recognize the fact that the industry is coming along well, and leave it at that."

Notice to Holders of Debentures of the Township of York

Holders of a substantial amount of debentures of the Township of York have requested the undersigned to act as a Committee for the protection of the interests of the holders of all Township of York debentures. The Committee have prepared a circular to debenture holders, briefly reviewing the developments affecting the Township's finances since the first date of default, and outlining the terms of the Deposit Agreement. As it is essential that debenture holders be organized to take joint action on their own behalf, they are urged to deposit their debentures with the Depositary as soon as possible. A copy of the Committee circular and form for depositing debentures may be obtained from the Secretary of the Committee or from the Depositary, National Trust Company, Limited, at any of its offices: 20 King Street East, Toronto; 11 Main Street East, Hamilton; 225 St. James Street West, Montreal; Cor. Portage Avenue and Garry Street, Winnipeg; 10072 Jasper Avenue, Edmonton.

DATED at Toronto this 22nd day of October, A.D. 1935.

Secretary to the Committee:
A. S. BURTON,
112 King Street West,
Toronto, Ontario.

J. T. BRYDEN, Toronto.
W. J. BEATTIE, Toronto.
JAMES CONLEY, Ottawa.
GORDON T. FINCH, Toronto.
H. A. McCULLOUGH, Toronto.
W. F. PARSONS, London.
K. M. PRINGLE, Toronto.

Wheels of Industry

Since 1932 the wheels of industry and commerce in Canada have been turning at a steadily increasing tempo. Improving business is being reflected in the higher earnings of numerous Canadian companies. Bonds and Preferred shares of these companies present many favourable investment opportunities in which security, income and prospects of appreciation are combined in varying degree, suitable to individual requirements.

We shall be glad to make suggestions of securities of this type, which we believe are attractive at the present time. Offerings will be gladly forwarded upon request.

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In the past three years metal products have swelled the flow of our export trade by a total of $389,586,893. The Dominion sold more metals abroad last year than wheat. The value of metal exports was $167,547,752, or 27% greater than the value of wheat shipments.

Such facts herald a new era in our economic development, and the mining industry offers a promising field for the investment of funds.

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THE TORONTO GENERAL TRUSTS CORPORATION
ASSETS UNDER ADMINISTRATION, $230,000,000
THOMAS BRADSHAW, President : W. G. WATSON, General Manager
TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA
SASKATOON CALGARY VANCOUVER

Bond Markets

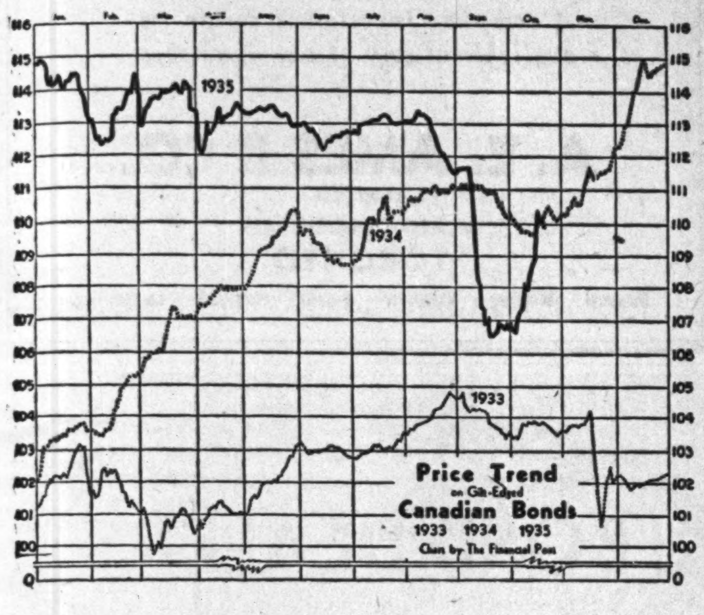
Sleeping Sickness Pervades Trading

• • •

Rise of Gilt-edged May be Illusory

The bond market is like the dormouse. Sleepy. But it is less complacent despite the seeming strength of quotations. Since trading is light, a comparatively small volume of business is sufficient to influence prices abnormally.

The recent recovery of prices for gilt-edged bonds is plainly to be seen in the chart herewith. The August and September slumps occurred on a small volume of business. So did the recent rise. The significant thing is that dealings in government bonds lack the virulence of buying power displayed in 1934.



There is no indication of important selling from abroad. But major buying is also missing.

Nervousness continues to be expressed over Alberta bonds, which, however, are not in as plentiful supply as low quotations would appear to indicate.

Government Issues

GOVERNMENT bonds have receded slightly from the peak of the recent recovery. It had lifted The Financial Post's average from 106.57 to 110.46.

The expansive influence of the increase in currency issues of 1934 appears to be waning. Banks and other institutional investors have more government bonds than they want and will be glad to invest in more profitable fields.

British and American sources are not nearly as much interested in Canadian issues as they were a year or two ago. Their own interest rates have stiffened slightly and the various adverse political developments in Canada have discouraged British, if not American, money.

If interest rates remain relatively low in Great Britain and the United States, they may continue low in Canada. But strains on government finances, and increasing use of money, are influences toward firmer interest rates and lower bond prices here.

Course of gilt-edged bonds is indicated below:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Oct. 22	3.726	110.36	Oct. 22	3.791	110.48
Oct. 21	3.763	109.91	Oct. 20	3.803	110.39
Oct. 19	3.737	110.21	Oct. 19	3.814	110.23
Oct. 18	3.749	110.07	Oct. 18	3.830	110.14
Oct. 17	3.731	110.29	Oct. 17	3.829	110.14
Oct. 16	3.719	110.46	Oct. 16	3.834	110.04
Oct. 15	3.781	109.79	Oct. 15	3.857	109.79
Oct. 14	3.871	108.89	Oct. 13	3.857	109.79
Oct. 1	4.063	106.96	Oct. 1	3.827	110.17
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

• • •

Alberta Soft Western Spot

WESTERN provincial bonds advanced slightly in the week ended Oct. 21. Despite recent rebuffs and continued deficits, bonds of the western provinces remain at levels comparing favorably with those of the past 10 years. This conceals the weakness in public finance, as does the exalted level of the gilt-edged governmental bond market.

Alberta bonds have shown little ability to rally. British holders view them as highly risky. In some cases selling has been considered, or attempted, because of the social credit enthusiasm in the province. The Alberta situation, however, is not entirely hopeless as long as Premier Aberhart sticks to his intention to preserve the province's credit. To do this it will eventually be necessary to abandon his social credit system. This will be a hard one to swallow.

Steady depreciation of Alberta bonds this year is shown below:

1935 Prices for Alberta 4's due 1957

	Bid per $100		Bid per $100
January 1	95½	July 1	90½
February 1	95	August 1	92½
March 1	95	September 1 ..	84
April 1	91	October 1	87
May 1	90	October 21	86
June 1	88½	Oct. 21, '34	91

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Barcelona Trac.	6½%	1965	Dec. 1	‡100
Belding-Cort. ...	5%	1936	Nov. 1	105
Consumers Glass	5%	1948	Dec. 1	103
Int. P. & P. Nfld.	▲4½%	1948	Jan. 15	100
Mtl. Coke & Mfg.	5½%	1947	Dec. 1	102
Nat. Cement	7%	serial	Nov. 1	102
National Grocers	6%	1948	Nov. 1	105
Ont. Steel Prod. .	†6%	1943	Dec. 1	110
Riordon Pulp & P.	6%	1942	Dec. 31	■105
Acadia Sugar ...	6%	1946	Jan. 1	103

For sinking fund: ‡$15,100 *$23,900. ■$74,000. †$23,900. ▲As at Dec. 31, 1934.

Stock Issues:	Rate	Stock	Date	Price
Can. Gen. Elec.	7%	Pref.	Nov. 15	115
Can. Dredge & D.	7%	Pref.	Jan. 15	107½

Bond Tenders

Dorval, Que.—Oct. 28, 5 p.m.—$35,000, 4 per cent bonds dated Nov. 1, maturing serially 1936-55. Horace Meloche, sec.-treas.

Drummondville, Que.—Oct. 29, 8 p.m.—$29,000, 4 per cent bonds dated Nov. 1, maturing serially 1936-65. Joseph Marier, sec.-treas.

5 p.m., Oct. 30, Saint Jean Vianney, Gatineau, Sch. Corp. — $90,000; $37,500 guaranteed by the International Paper Co. and the government, at rate of 3½ per cent, the balance $52,500, at rate of 4 or 4½ per cent, redeemable serially from Nov. 1, 1936 to Nov. 1, 1960. J. D. Bique, sec.-treas. of Gatineau, County of Papineau.

Hydro's Influence

CORPORATION bonds have been steady, but extremely dull. Chief activity has been in the Quebec power company bonds affected by the Ontario Hydro repudiation policy. As negotiations over contracts opened between the Ontario government and representatives of the companies, their bonds were sagging. Compromise prospects strengthened them.

Judging by yields and price movements, issues of the companies concerned are ranked by investment markets in the following order of merit: 1. Beauharnois 5½'s; 2. Ottawa Valley 5½'s; 3. Gatineau Power 5's; 4. Maclaren-Quebec 5½'s. At 60, the yield on the Maclaren's is nearly 10 per cent. Lesser issues carry fantastic yields; indicative of the view that their position is distinctly unpromising.

Prices and changes in the bonds concerned in the Hydro affair follow:

Power Bonds in Hydro Controversy

	—Bid Prices in 1935—			Decline
Issue:	Oct. 21	Oct. 14	Jan. 1	in 1935
Beauharnois 5% '53	32½	33½	58	25½
Beauharnois 5½% '73	88	92½	100½	22½
Gatineau 5% '56 ...	79¾	83½	97½	17¾
Gatineau 6% '41 ...	61	68½	94½	33½
Int. Hydro 6% '44 ..	42¼	45	48½	6¼
Maclaren-Que. 5½% '61	60	65½	101	41
Ottawa Valley 5½% '70	85¾	92½	105½	19¾

T. G. BRIGHT CO. EXPANDS ASSETS

T. G. Bright & Co., Ltd., and subsidiary companies increased fixed assets by $210,000 in the 11 months ended July 31, 1935. The company's expansion programme required a $13,000 addition to building account, $17,000 to tanks, $32,000 to machinery and equipment and $147,000 for farm properties and equipment. The working capital was strong. The company found it necessary to borrow from the bank to finance the 1934 grape purchases and farm property development.

Growing Grapes

More than a year ago the company acquired 1,171 acres of land for the purpose of growing grapes. The price paid, including buildings, vineyards, orchards, machinery and equipment, amounted to $90,230. The cost of development and new equipment to July 31 was $56,999 and the grand total is now $147,228.

The company had 139 acres of vineyards in bearing at the time of purchase and 486 acres of new plantings. This fall and next spring the company is planting 375 acres more, thus completing a programme of 1,000 acres. It will not obtain the first crop from the new plantings until the fall of 1937.

Not Competing With Grower

H. C. Hatch, president, in his report to shareholders, states that independent growers need not fear that these developments will adversely affect the marketing of wine grapes. A large section of the land is planted with vines not grown in any quantity in the Niagara district. The grapes from these vines, it is hoped, will materially improve the quality of and enlarge the market for "native" wine.

Bank notes payable reached $300,000 and cover monies advanced by the Imperial Bank to finance the 1934 vintage and to develop farm lands. Mr. Hatch expects this bank indebtedness to be materially reduced in the near future. Mortgages of $26,692 were assumed by the company on the farm properties at the time of purchase.

Expansion

During the year the company acquired the business of Robinet Frères of Windsor, and now has retail outlets in Toronto and Ottawa operating on a profitable basis.

Sales Affected

Trading operations have been satisfactory, but Mr. Hatch states that the freer sale of beer and the reduced taxation on spirituous liquors have seriously affected the sales of native wine in Ontario, formerly the largest market. The directors consider that sales can be increased only by obtaining a reduction in taxation and by reducing the profit now taken by the Liquor Control Board of Ontario, thereby permitting lower retail prices.

For income statement see page 21.

HIRAM WALKER PROPOSES ISSUE $8 MILLIONS DEBS.

Rate Not Announced — Will Be Sold Mainly in United States

Hiram Walker-Gooderham & Worts proposes to make an $8 millions 10-year debenture issue in the near future. From the proceeds it will pay off bank loans which stood at $3.5 millions on August 31, 1934, and are believed to be considerably higher just now. A year ago it had more than $13 millions in Canadian and United States inventories and these have been added to since. It will also want a few million dollars in cash to enable it to handle its sales on credit and its sales expenses in every state of the Union and to finance expansion and construction which will be called for from time to time.

No announcement has been made as to the rate which these debentures will carry. Officials say that arrangements so far are tentative. It is understood that proposals to buy have been received from several sources and that the best tender may win. Rates of 4 to 4½ per cent have so far been estimated as likely on "the street." The debentures will be payable in United States currency and most of them will be sold in the United States, as the working capital thus provided will be required mainly for expansion and business needs of the company in the United States. Provision will be made for conversion into common at will at $40.

Operations of this kind have not been rare in the history of Hiram Walker-Gooderham & Worts. In December, 1927, rights were given shareholders to buy 60,000 common shares at $50 a share and the money was used to extinguish bank loans of the period.

After a three-for-one split shareholders were again given right in 1929 to buy 660,000 shares at $15 a share. Thus nearly $10 millions were provided which were to have been used for expansion purposes. But the depression intervened and the expansion opportunity did not come until the United States went wet in December, 1933. Then the world's largest single distillery was erected at Peoria and the remaining millions have been used in creating fixed and current assets to a great degree. To those former $10 millions are now to be added another $8 millions, or $18 millions in all, provided by the public in 1929 and in 1935 to help this company grow bigger.

It is believed that the company will have its financial statement ready before the end of the month. It will show earnings on common stock not much less than the $4.40 a share shown in the preceding year, it is understood. Just what will be done with the Peoria fire loss of some half million dollars will interest investors. Underwriters are trying to escape liability and the company is determined to establish insurance liability.

Once bank loans are disposed of and cash assets made strong, it is likely that renewed attention will be given to common stock.

Resurrecting Corpse Of Manufacturers Finance

Dr. Byron W. Shaw, Waunakee, Wis., has brought a $500,000 action against Trust & Guarantee Co. for alleged breach of trust in connection with the collapse some years ago of Manufacturers Finance Corp. Plaintiff had purchased B bonds of the now bankrupt concern and claims that he relied on the trust indenture and the trustee for full protection.

A Royal Commission into the affairs of this company was recently held by Ontario Securities Commissioner Godfrey. More delving is apparently indicated. Plaintiff is represented by Arthur Slaght, K.C., and R. F. Wilson while defendant is represented by W. N. Tilley, K.C., and J. M. Bullen, K.C.

List Federal Bonds on Montreal Exchange

From Our Own Correspondent

MONTREAL. — Announcement is made by the Montreal Stock Exchange of the listing of $90 millions of three-year two per cent Dominion of Canada bonds, dated October 15 last and maturing on the same date in 1938.

This listing is part of a refunding loan totalling $135 millions, which was recently negotiated by the Dominion Government to replace $25 millions of four per cent bonds and $89.4 millions of 3½ per cent bonds, which matured on October 15 last. The balance of the new loan—$45 millions—was floated at 1½ per cent, bonds due September 15, 1936.

The two maturing issues were stricken from the board of the exchange.

York Bondholders Form Protective Committee

Bondholders of York township, Ont., have organized so that their interests may be protected when plans are proposed for the refinancing of the debenture debt of the township.

Announcement was made this week that a committee representing a substantial amount of the debentures has been formed. Other bondholders are being asked to deposit their debentures with the committee. The National Trust Co. has been appointed depositary.

The township defaulted on debenture principal payments on Oct. 1, 1933, but paid full interest up to Feb. 1, 1935, when interest was reduced to a partial payment of three per cent on account. It was recently announced that the township is endeavoring to arrange refunding at the reduced rates of 3, 3½ and 4 per cent.

The protective committee is as follows: J. T. Bryden, W. J. Beattie, H. A. McCullough and K. M. Pringle, Toronto; James Conley, Ottawa; W. F. Parsons, London. A. S. Burton, 112 King St. W., Toronto, is secretary.

Leather Footwear

The Dominion Bureau of Statistics reports an increase of 14 per cent in leather footwear production during August.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Sherbrooke R. C. School	Oct. 19..	Wood, Gundy & Co.	4%	1936-65	$150,000	98.79	4.10%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Acadia Sugar Refining	Oct. ..	Royal Securities Corp.	4½%	1965	$1,500,000	99½	.....
Rockwool Corp. (Canada)	Oct. ..	T. Ross Boys & Co.	5%	10-yr.	95,000	....	.....

(With bonus of 50 shares of preferred and 50 shares of common with each $1,000 note).

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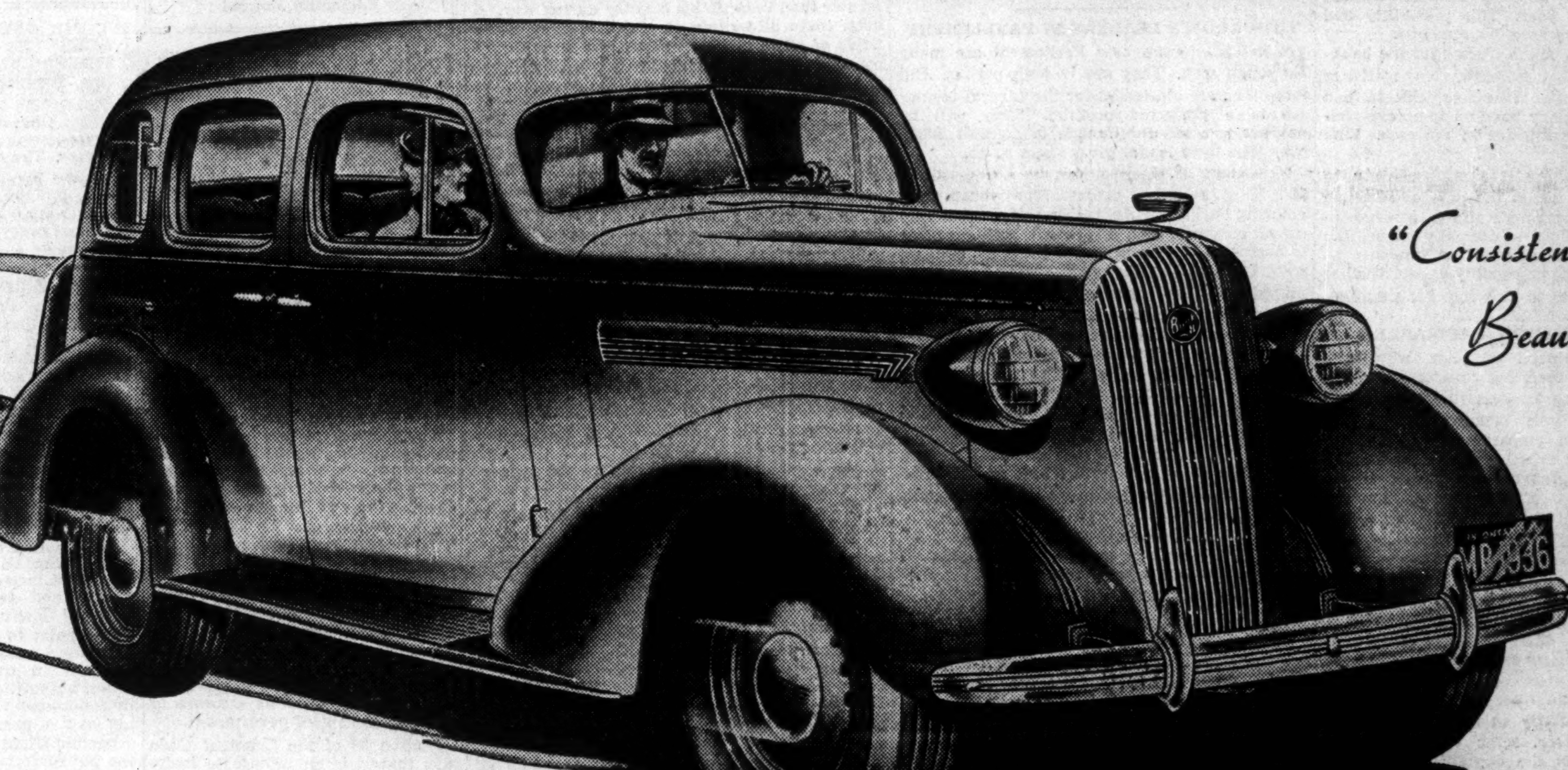
HALIFAX
157 Hollis Street

When We Designed for 1936

WE THREW AWAY ALL THE OLD DIMENSIONS



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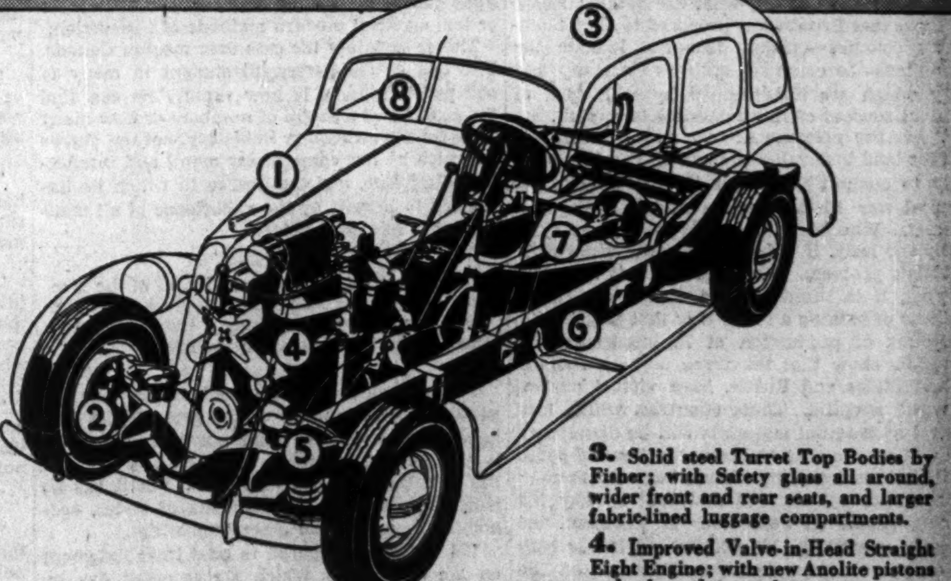
Be prepared, then, when you see the new McLAUGHLIN-BUICKS, for something utterly new. New in sparkling streamlined beauty, new in elbow-room, leg-room, and riding comfort — new in sparkling performance, new in flashing power.

Only one thing is not new — sound, durable, dependable McLAUGHLIN-BUICK quality. On that solid foundation we have built these outstanding new-dimension cars.

See them at your nearest dealer's showroom; we want you to try them. One ride and you'll know that your motor car dollar buys more than it ever did before. Low delivered prices; GMAC terms.



1. Modern streamline styling, in line with McLaughlin-Buick's consistent beauty.
2. Perfected Hydraulic Brakes, engineered up to McLaughlin-Buick standards, with tiptoe-pressure positive action.
3. Solid steel Turret Top Bodies by Fisher; with Safety glass all around, wider front and rear seats, and larger fabric-lined luggage compartments.
4. Improved Valve-in-Head Straight Eight Engine; with new Anolite pistons and other advances for greater power, economy and durability.
5. Refined Knee-Action Wheels; with Centre-Control steering, Ride Stabilizer, and added road-holding ability.
6. Stronger, improved "sealed chassis".
7. Time-tested Torque Tube Drive.
8. Divided non-glare, full-vision windshield, with double windshield wipers.

McLAUGHLIN-BUICK'S THE BUY

Buick

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TORONTO, OCTOBER 26, 1935

ACTIONS ALONE WILL COUNT

A WAVE of confidence has swept over the country with the apparently decisive victory of the Liberal party. But an election never solves problems, not even a decisive election. It merely puts in power a government, charged with the responsibility of solving national problems.

The country will not know whether or not it did itself a good turn until it has a chance to see how courageous Mr. King and his cabinet will be in tackling the problem of unbalanced budgets, of railway losses, of unemployment, of shattered provincial and municipal finance.

The general feeling of satisfaction in the country over the election results should give Mr. King courage and stimulate him to action. But confidence can give way to timidity and disappointment if Mr. King does not quickly utilize in the best manner, the great opportunity that has been given to him.

LEGARE BANKRUPTCY EXPOSURE

BANKRUPTCY of P. T. Legaré Co., Quebec, burst upon its security holders without warning early this year. This possibility had apparently been obscured by someone.

The recent report of the trustee for the bankrupt estate shows that something was rotten in the state of Denmark. Directors, officers, and auditors of the company have made no explanation of their responsibilities in the case. Who was to blame?

It appears that there is a responsibility to these security holders on the part of someone concerned in the company's affairs, a responsibility to explain how a company presenting favorable balance sheets could so suddenly go bad. Investors might reasonably expect Quebec provincial authorities to look into the situation.

KEEN OPPOSITION DESIRABLE

CANADIAN provincial premiers, who have been backed in their legislatures by a solid following comprising an overwhelming majority of their own party members have often found the situation embarrassing. Mr. King may have the same experience.

Mr. King will probably be worse off in handling the affairs of the country than he would have been had he elected 20 less members.

One of the difficulties is to find enough work for the private members to do. They are not stimulated to keen debate with the opposition. Sometimes the result is to develop cliques within the party and these cliques provide a source of dissension. Many of the members find themselves getting lazy on the job.

The lack of adequate opposition and criticism from across the floor often leads to lax government, particularly in spending policies.

There are, however, some very good and vigorous fighters on the opposition side. Mr. Bennett proved himself capable of being a one-man government and it may be that he can be a one-man opposition.

SHARING COLONIAL WEALTH BRITAIN'S NEW BID

IT WILL not be until after the present Ethiopian war has ended and temporary peace has again been assured to Europe that the world will be able to assess the significance of Britain's stand at Geneva.

Little noticed in the pressure of the immediate events was Sir Samuel Hoare's statement that there must be a world study of colonial raw material markets in their relation to the industrial nations. In effect, what Sir Samuel Hoare said was that Britain was prepared to open many of its colonies — which does not include the Dominions—to countries such as Germany and Italy which are handicapped by their lack of colonial sources of raw materials to exploit.

It was the pressure of raw material supplies and for land to develop and colonize that induced Italy to commit the major international crime of post-war history in its campaign against Ethiopia. Wherever there is friendship and sympathy for Italy, it is based upon the knowledge of Italy's problem. Wherever there is hate and distrust, it is based upon a dislike for Italy's methods of seeking a solution of that problem.

Figures of production of 12 important raw materials show that the three nations, Britain, United States and Russia, have virtual control of world supplies. Those countries which lack control of essential materials will be dissatisfied and will remain potential menaces to world peace until there is a sharing of supplies with them.

Britain recognizes this and that is why Sir Samuel Hoare on September 11 discussed the question guardedly. He pointed out it was easy to exaggerate the decisive character of the advantage which a supply of raw materials appeared to give to countries possessing them. He pointed out that there were countries, which had little or no natural abundance, but which had made themselves prosperous and powerful by industry and trade. But he added:

"Nevertheless, the question is causing discontent and anxiety. The wise course is to investigate it. See what proposals there are for dealing with it, see what is the real scope of the trouble and if the trouble is substantial, try to remove it."

Here is the beginning of a new international foreign policy by Britain. It may have far-reaching consequences. It offers the possibility of avoiding some wars that might otherwise break out.

It is of great importance that Britain wishes the world now to adopt as an international policy the doctrine that the basic raw materials of the world belong to the world and should not be exploited solely for the advantage for any single nation or small group of nations to the exclusion of others.

WILL LIBERAL PREMIERS CO-OPERATE?

THE fact that there are eight provincial governments bearing Liberal banners aloft while a Liberal government is in power at Ottawa may not be the blessing to the country that some people think and it may prove a major source of embarrassment to Mr. King.

Canada's major national problems cannot be solved without effective co-operation on the part of the provinces. But eight Liberal premiers are more likely to be asking favors of Ottawa than offering co-operation. And as there will be provincial elections in all the provinces before another federal election is necessarily called for, the temptation will be strong to accede to these requests, in order to help the party locally.

Solutions of some of our chief Canadian problems are in danger of foundering on the rock of provincial ambitions and provincial non-co-operation. It will be necessary for the provincial premiers as well as Mr. King to be statesmen, if we are to get anywhere.

Already some of the provincial Liberal premiers are making it clear that they look to Ottawa to stand behind them whether their policies are good or bad. Mr. Hepburn, for instance, points out that Ottawa will not interfere with his policy of power contract cancellation because a Liberal government has been elected there.

A policy of "We Liberals must stick together" would be all right if the governments were co-operating to solve national problems without regard for partisan fortunes. But sticking together to achieve purely political advantage is not what the people would approve.

IF SINCERE, THEN STUPID

THE plan of Schoolmaster Townsend in the United States to create purchasing power by making state payments to old people is little different in ultimate objectives than Schoolmaster Aberhart's plan to pay dividends to all people. Writing of the Townsend plan, Frank R. Kent says in his Wall Street Journal column:

> "It is not easy to believe in both the ability and the sincerity of the advocates of the Townsend plan. If they are truly able, it is extremely difficult to believe in their sincerity; and if they are sincere, then it is equally hard to believe in their intelligence. One has to make a choice."

This comes pretty close to phrasing exactly what is in the minds of many Canadians as they attempt to contrast Premier Aberhart's apparent honesty and winning sincerity with the absurdities of his proposal.

Can anyone be as politically astute and as economically stupid, at one and the same time, as some of the enthusiastic sponsors of Aberhartian Social Credit seem to be?

TOMORROW'S LEADERS IN PARLIAMENT

ELECTED to the new Parliament are many young men. They are in both parties. But those who are elected under the Liberal banner are in a preferred position. They will be anxious to work for Canada to do well whatever jobs their leader gives them to do.

This eager enthusiasm can be harnessed by Mr. King to noble causes. The young man entering Parliament for his first time can hardly expect a cabinet post. Yet he will be less willing to become a back-bencher than some old-stager who has sat in many Parliaments and is inured to being ignored when positions of responsibility are handed around.

One way to get the advantage of their presence in Parliament would be to experiment with some modification of the British plan of giving each key minister an undersecretary to help him carry the burden of fulfilling his duties on the floor of the House when Parliament is in session. This would free the ministers to give more time to administration and at the same time be training up men to fill the cabinet posts of tomorrow.

FOR WHAT DO WE EDUCATE OUR BOYS AND GIRLS?

THE men who make such a failure of government, the men whose names appear prominently in the news of crime and scandal, are usually men who have been educated in the public schools, high schools and often the universities of the country. Obviously then their education was not a full preparation for citizenship.

Dr. Nicholas Murray Butler, at the opening of Columbia University not long ago, attempted to discover what might be wrong with education on this continent.

To him the chief educational instrumentality should be the family. If parents do not themselves instruct, guide, shape and discipline their children, then education in any true sense becomes almost impossible. A school can supplement but cannot take the place of the family nor should it attempt to usurp that place.

The little red schoolhouse of long ago appeals to Dr. Butler as a finer type of educational instrumentality than many of our modern schools, because there a teacher, if rich in warm personality, could and did prepare his pupils for citizenship. Today there is too much emphasis upon paraphernalia and curricula and upon more or less mystical modern methods of instruction.

This is certainly the case over most of Canada. The test of the successful student in many of our public schools is how rapidly he can find the L. C. M. of a group of numbers or how many dates he can remember in history, not the degree to which he has come under moral and intellectual discipline, nor the degree to which he has learned to benefit by the experience of all mankind that has gone before.

As Dr. Butler puts it:

> "We must get rid once and for all of the idea that education is identical with instruction and that preparation for making a living is on the same plane as preparation for life."

• • •

Youth comes out of school today with no genuine understanding of the great forces that have been at work to make our modern society. It has the most complete knowledge of some of the minutiae of superficial facts. But it has no true realization of the elements of civics, economics, or any of the other humanities.

Yet Youth is prepared to pass final judgment on the happenings which are recorded day by day as well as on systems that have slowly grown.

Men who themselves are ignorant of the basic forces in economic or democratic processes attempt to regiment Youth behind the banners of protest movements, when Youth does not know—and because of our educational methods, cannot know—what it is protesting against or what the world truly needs.

• • •

We may expect in the next generation a shift in educational emphasis. There is no doubt that it is needed and there can be no doubt but that it will come. It does not mean that we must spend more money on education but that we must spend to better advantage the money at present appropriated.

In the work of making education a preparation for citizenship and a preparation for a richer cultural life, the private schools can and should lead the way. There are signs that they are doing so.

At one small school in Toronto, children of four and five are stimulated to an insatiable curiosity about the people of other lands which is far better even than having them salute the Union Jack every morning, while jingoistic fervor is generated.

At another school boys of ten and twelve are given simple lessons on economics. One boy who had listened to only a single simple lecture was asked what economics was. He replied, "I think it is studying about the rich and the poor." His very answer indicated that at an early age his attention was being directed to a fundamental social problem.

Even in Nazi Germany, special schools have been established for the purpose of training youths for leadership in public affairs. One may regret that emphasis in these schools will be upon a particular type of political philosophy which most Canadians deplore. But at least education is there being thought of in terms of citizenship and leadership.

Education is apt to swing through cycles of emphasis upon the "arts" and the classics and then of emphasis upon "practical" things. But it should be an amalgam of all these with an historical and philosophical approach to civics, economics and sociology.

A GREAT SCIENTIST WHO HELPED INDUSTRIAL LEADERS

THE late Sir John Cunningham McLennan, who died recently would have had greater honors if he had lived. It was repeatedly predicted in fully informed circles that His Majesty would go further to express the gratitude of the British people for services rendered by Sir John during the Great War.

McLennan, in common with other great physicists of the last 50 years, had a vision of "a new Heaven and a new Earth." These men have been probing deeper and farther than human eye aided by telescope and microscope can go. Their minds dwell at home in the midst of the penultimate realities of matter and energy (or of matter-energy if one conceives of the two as one and indivisible in constitution.)

His great contributions in the war occurred because he had this insight in extraordinary measure. All adults more than 30 years of age must recall the dread which the submarine inspired in the early days of the war. It was the terror of the sea because it could strike from below and its approach could not be determined. Prof. McLennan and his workers provided a device by which the presence, movements and position of submarines could be determined. Once located by this scientific eye, they were robbed of much of their terror. On the contrary it started a new menace in the life of the submarine. The surface craft became dangerous to the submarine instead of sheep awaiting the slaughter.

He helped in the air by reason of his experiments with helium. Canada provided a non-explosive gas for the lighter-than-air craft.

But his services to humanity at large were greater than those to his country during war. A book could be written on his researches in the fields of radio activity and of low temperature activity, his discoveries in the spectroscopic laboratory and in the better use of X-ray and radium for the treatment of malignant tumors. His over-mastering enthusiasm and personality eventually convinced famous surgeons and physicians that the physicist could aid them materially in their fight against cancer by studying minutely and determining the effects of distance, intensity and type of ray used.

Most important to Canada is the fact that his passion for research lit the same flame in the minds of many young men who are now doing valuable work. The physics laboratory at the University of Toronto, new headed by his old friend and coadjutor, Prof. Burton, is one of the greatest and best equipped in the world.

Sir John was convinced that there was no manufacturing problem that research scientists could not aid materially in solving. He believed and said that there was no production problem which would not give way before the type of intensive research which he did so much to promote in Canada. "Call us in if you are in trouble," he said repeatedly to manufacturers.

Sayings of the Week

"Sex is a playground for lonely scientists."—*Dr. C. G. Jung.*

• • •

"I am an incorrigible optimist about the twenty-third century."—*Robert Lynd.*

• • •

"He who lives by the sword shall perish by —er—economic sanctions."—*Ernest Bevin.*

• • •

"The conspiracy of two and two to make four is bound to be, in the long run, successful."—*Ezra Pound.*

• • •

"The darkness and indigence in the life of the masses has so far been the most glaring drawback of civilization."—*Beni Prasad.*

• • •

"Organization is the most delicate and difficult of all arts, always liable to perversion in the hands of those who practise it." — *Beni Prasad.*

• • •

"Recent events have made it plain that there is one man who can defeat the President. His name is Franklin D. Roosevelt."—*Walter Lippman.*

• • •

"No recent reform has delighted me so much as that just announced in Poland, where election meetings and addresses are now made criminal offences."—*Bernard Shaw.*

• • •

"The only palmists I will allow to read my hand are travelling gypsies, whose vision of the future becomes rosier and rosier as your payment increases."—*Robert Lynd.*

• • •

"When the British Empire puts 150 war vessels into the Mediterranean there is something more than a rehearsal of Gilbert and Sullivan in prospect."—*Dr. William J. Elliott of Harvard University.*

• • •

"Statesmen today are like chauffeurs in high-powered cars who know the road is slippery, while in 1914 they were like chauffeurs who did not know what skidding was." — *Sir Arthur Willert.*

• • •

"We are now just entering the third phase of the New Deal, where Mr. Roosevelt's probable policy will be to out-Coolidge Coolidge in giving industrial prosperity to America." — *Major L. L. B. Angas.*

• • •

"Wherever the people are free, where the voice of the people is heard, where speech is untrammeled and liberty of action challenged, the cause of peace advances toward realization." —*Senator Wm. E. Borah.*

• • •

"Of all the wonders of the universe of which we have present knowledge, from the electron to the atom, from the virus and bacillus to the oak and the elephant, from the tiniest meteor to the most magnificent nebula, surely there is nothing to surpass the brain of man."—*Prof. W. W. Watts.*

The World at Large

U. S. Political Maelstrom

Third Party Talk Rapidly Dying Out As Nominations Nearing

From Our Own Correspondent

WASHINGTON, D.C.—Since the assassination of Senator Huey Long of Louisiana, the chief threat to the renomination of President F. D. Roosevelt virtually has disappeared. Third party talk is rapidly dying out.

Even such bitter Democratic Party dissenters as Senator Carter Glass, of Virginia, and Senator Thomas P. Gore, of Oklahoma, have refused to leave the Roosevelt fold.

Interest in Republicans

Since a Democratic renomination of Mr. Roosevelt is a sure bet, chief interest turns to the reviving Republican party. The chief lack, right now, of the Republicans is a candidate with popular appeal. Over this question, conservatives and progressives in the party are divided precisely as they are over the "New Deal" which western Republicans are supporting — the A.A.A. for instance — and easterners are attacking.

This struggle between right and left wingers extends into the question of selecting a candidate. There is party warfare going on now among the managers. Charles D. Hilles, chairman of the New York Republican committee, is being accused of quietly plotting to have each state Republican committee put forward its own "favorite son" at the national party convention, hoping to create a deadlock in which the wise insiders can force a compromise for their own candidate.

Plan is "Poison"

Such a plan is poison to the westerners who are gradually falling in behind Governor Alfred M. Landon, of Kansas, Republican. Mr. Landon is 48 years old and independently wealthy through discreet speculation in the oil business.

Then there is Col. Frank Knox, 61-year-old publisher of the Chicago Daily News, who has held the front page — first, for all his violent fight against N.R.A. as aimed to suppress American "freedom of the press," and second, for his charge that Mr. Roosevelt and the New Deal are subverting the American constitution. The easterners like him because he proposed to abolish A.A.A., substitute export bounties for surplus farm products. Western Republicans don't like that at all.

It looked for a time as if Senator Arthur H. Vandenberg, of Michigan, might run away with the Republican nomination. He is a moderate liberal and led the battle for bank deposit insurance. He held his seat in the face of the second democratic landslide of 1934 but now word comes of trouble. There is an internecine fight going on among the Michigan Republicans and powerful Senator James Couzens of that state, a native of Canada, is reputedly going to prevent Mr. Vandenberg from capturing the Michigan delegation to the Republican national convention.

Smaller Fry

There is a host of smaller fry who have possibilities but in nearly every case, either right or left wing Republicans raise objections.

Biggest worry of all to the Republican managers trying to reorganize the scattered army is Ex-President Herbert Hoover himself. Mr. Hoover's friends have said repeatedly he wouldn't consider a nomination. No one believes that. Mr. Hoover has kept mighty quiet except for occasional statements which show he still regards himself the actual as well as titular leader of the party. Republican chiefs think his defeat of 1932 is still too sharp a memory in the public mind for a come-back. Mr. Hoover obviously doesn't think any such thing. But he is anathema itself to the progressive or left wing of the party. Still in the prime of life, Mr. Hoover has recovered his second political wind and is ready to go.

Lack Political "It"

The trouble about all these eminent gentlemen is that they lack political "It." That would be all right in the good old days when the party managers did the selecting and the voters tended to their business of casting ballots. But no more. With the Democrats still having most of that 4 billion dollar work relief fund to spend and a candidate with the greatest "come hither" political eye in history, something much more effective in "building up" a presidential contender has still to be done before he can offer a real challenge to F. D. R.

"Section 98"

Edmonton Journal

"Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association."

The above is the first paragraph of the famous Section 98 of the Criminal Code. It is repeated here because there still appears to be a good deal of misunderstanding about the section. In fact, certain speakers and even some newspapers refer to it as preventing "free speech." This is not so. According to the section only those persons who advocate the use of force, violence or terrorism, are doing something unlawful. It is doubtful if one out of every 10,000 Canadians would approve of the use of the revolver, the bomb and the torch as a means of securing control of government.

Section 98 of the Criminal Code says that it is an offense to incite people to violence in order to bring about a change in the government or in the economic or industrial system. It says any group organized for such purposes is unlawful. It says that people who belong to organizations formed for such purposes are liable to imprisonment.

If all those who argue about Section 98 would first of all read it carefully, less loose talk about it would be heard.

As Others See Us

Writing Again

Hon. Frank Carrel in Quebec Chronicle-Telegraph

A few weeks ago we had the pleasure of lunching with a friend in Toronto. Colonel J. B. Maclean was present and we entered upon a most interesting discussion upon world and empire relationships.

Before leaving the luncheon table we urged Col. Maclean to continue his interesting reminiscences of the past which he started and discontinued some years ago. We are now very glad to note by the late issues of The Financial Post that he has resumed the task with his youthful vitality and his broad life of experience and sane judgment.

Social Justice

Fort William Times-Journal

That there is danger of wrecking rather than reforming, our social system by emergency efforts to bring about better conditions in industry and agriculture is suggested by The Financial Post of Toronto, a financial paper which has, of late, shown considerable sympathy with reform movements, as a kindly critic instead of a hostile opponent.

Stop Me If You've Heard This One

"Is that boy any good in the office, Jenkins?"

"I've not formed a very favorable opinion of him sir. He spent a good deal of the morning trying to get 'Established 1901' on the telephone."

New Books

INCOME AND ECONOMIC PROGRESS. By Harold G. Moulton. Published by the Brookings Institute, Washington. Price $2.

This is the last of four volumes analyzing the distribution of wealth and income in relation to economic progress. The figures used are those of American income and its distribution but the study is of basic interest to the business men and economists of every nation.

Dr. Moulton's volume is one calculated to cut the ground from under the feet of the apostles of "Share-the-Wealth. For he comes to the conclusion that no amount of redistribution of existing wealth can bring substantial economic progress. Rather he urges that this must come through the distribution of a greatly enlarged productive output.

Thus, efforts to redistribute wealth through taxation, to raise prices by artificial regulation, and to increase purchasing power by government spending to create jobs, are considered of being of little avail.

Dr. Moulton emphasizes the need for passing on to the public the benefit of increased efficiency, both human and technological, in the form of lower commodity prices. These point to the great danger to our future economic welfare that is inherent in trusts, pools, cartels, codes, authorities and other institutions designed to maintain the existing level of prices in order to freeze economic situation, thus preventing the public from gaining the benefit of economic progress.

He says, "The price reduction method of distributing income has an outstanding advantage over other methods in that the benefits are extended automatically to the entire population."

The first of the reports was a comprehensive survey of America's capacity to produce. The second dealt with America's capacity to consume and the third on the formation of capital was a study of the influence of savings and capital accumulation on the common welfare.

The fourth volume, which flowers naturally from the first three, may be regarded as an effort to suggest those changes that may be necessary in our distributive and financial machinery to effect the greatest rise in individual welfare and the total prosperity of the people.

The volumes are frankly an attempt to discover what is the best that is to be gotten out of the existing capitalist order of things. They are certain to be criticized by Socialists, Fascists, and by apostles of such monetary heresies as Social Credit, because they do not attempt to study what might be done under a different system.

Combines Mark Time

Half a dozen industrial groups are anxious to descend on Ottawa to lay their case for a "legalized combine" before the new Federal Trade and Industry Commission. So far the plumbers are the only ones to beard chieftain Sedgewick in his den and they were told last week that their case would be given "consideration"

Other industries reported to be ready to interview Mr. Sedgewick once they get word to go ahead, are the rubber and electrical appliance groups. Incidentally the plumbing representations last week included only operators and not wholesalers and manufacturers although the latter groups are in agreement on most of the points submitted.

Cooking Implements

The production of stoves and cooking plates in Canada advanced 41 per cent during 1934. The value of output was $6,521,913 in 1934 compared with $4,634,939 in 1933.

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To Manufacturers

How often do you look at a competitor's advertising and wonder whether it is more effective than your own? Such reflection may not be pleasant, but it can be stimulating.

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If you are of a mind to find out, then I am willing to match my time and facilities against your time and consideration to prove that maybe you can use me to advantage. If I can't prove it, then the onus is on me. If I can, then perhaps we shall do business. With no obligation implied either way, may I come and talk with you about your advertising? If so please write and tell me when it will be convenient to call upon you.

Thornton Purkis

330 Bay Street, Toronto.

ADVERTISING COUNSELLOR

Week in Business

Some Hesitancy in Autumn Indicators
Ford Change Affects Motor Exports

Canadian business operations showed signs of weakness in September, though The Financial Post preliminary index of physical business volume showed a small increase over the previous month. Some weak spots are attributable directly to the federal election. These may be ironed out once sound, stable policies are forthcoming from Ottawa.

For example, government bond prices slipped sharply following the pre-election statements of R. B. Bennett regarding debt conversion; similarly, importations of both raw cotton and cotton yarn were decidedly slacker than a year ago indicating a "wait and see" attitude in an industry fearful of tariff adjustment under Liberal government.

Mining indices continue strong for the most part, particularly exports of copper and nickel which move arm in arm with war news despite protestations to the contrary. Whether or not the imposition of economic sanctions by leading nations against Italy will actually prevent increased sales "abroad," remains to be seen. Another strong spot was iron and steel production which shows increasing evidence of a durable goods recovery in this country, aided of course by exceptionally early demand from motor car firms for new materials in preparation for 1936 models.

* * *

And the new figures on automobile sales and production this week tell an interesting story. At first sight, the lowered September output would appear to lie in preparations for the early debut of 1936 models. Analysis shows, however, that Canadian plants actually produced for sale in Canada more cars than in the same month a year ago, though actual purchases in that month were less.

The real slump came in export demand which declined 10 per cent and is apparently due primarily to the change in Ford habits whereby Ford of England no longer buys from the Canadian company its requirements of V-8 machines. Thus exports to United Kingdom have fallen off sharply during the third quarter of the year which has offset increased demand for Canadian cars from other markets.

An encouraging feature of the motor business this year has been the startling increase in demand for commercial vehicles. Actual sales of trucks and buses in Canada last month was over 50 per cent above corresponding figures a year ago, and manufacturers are looking to the autumn motor show to further stimulate buyers toward replacing obsolete equipment with up-to-date, money-saving machines.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:	*Unfavorable:*
Iron and steel production.	Automobile production (for export use).
Building permits.	Lumber exports.
Newsprint production.	Raw cotton and cotton yarn imports.
Foreign trade (particularly petroleum imports and exports of metals, newsprint and foodstuffs).	Crude rubber imports.
Insurance sales (life).	
Carloadings.	
Railway earnings.	

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
Transportation—	1935	1934	1935	1934
Car loadings (Oct. 12)	▲58,571	51,560	1,833,683	1,803,820
C.P.R. gross earn. (Oct. 14)	$ ▲3,397,000	$ 2,765,000	$ 98,748,000	$ 96,268,000
C.N.R. gross earn. (Oct. 14)	$ ▲4,129,006	$ 3,232,378	$ 133,201,941	$ 128,521,193
Business Conditions—				
Weekly index D.B.S. (Oct. 12)	▲95.2	91.8	......	......
	MONTHLY DATA			
Business Conditions—	1935	1934	1935	1934
Financial Post index (Sept.)	▲104.4	98.4	......	......
Transportation—				
C.P.R. net earnings (Aug.)	$ 508,339	$ 1,070,633	$ 8,096,540	$ 10,636,527
C.N.R. net revenue (Aug.)	$ 572,547	$ 65,276	$ 3,872,993	$ 5,132,262
Iron and Steel (Sept.)—				
Pig iron production (tons)	▲54,360	43,019	419,064	279,090
Steel ingots and castings prod. (tons)	▲90,952	57,489	647,704	585,162
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Sept.)	▲2,560	3,059	69,483	56,707
Factory output (Sept.)	▲3,819	4,211	109,141	87,027
Trucks and Buses:				
Domestic sales* (Sept.)	▲1,427	951	14,952	10,056
Factory output (Sept.)	▲1,504	1,368	28,209	21,654
Exports (Aug.)	6,009	3,567	44,692	34,076
Construction—				
Building permits (Sept.)	$ ▲3,322,026	$ 2,247,784	$ 36,510,379	$ 19,681,056
Contracts awarded (Sept.)	$ 14,743,100	$ 12,494,000	$ 132,724,200	$ 98,145,100
Newsprint (tons)—				
Production (Sept.)	▲223,892	196,172	1,978,634	1,882,227
Exports (Aug.)	220,866	183,922	1,603,875	1,537,220
Sugar (lb.)—				
Melting & shipments§	▲73,677,075	87,892,557	629,971,194	601,084,210
Manufactured§	▲74,056,391	86,934,082	624,681,003	587,062,267
Flour (bbls.)—				
Production (Aug.)	1,161,389	1,282,214	8,287,837	8,960,632
Wheat flour exports (Aug.)	376,562	412,089	3,014,779	3,353,728
Trade (September)—				
Imports	$ ▲44,689,463	$ 42,207,602	$ 403,036,316	$ 377,249,292
Exports	$ ▲64,564,915	$ 58,135,136	$ 491,807,087	$ 459,164,884
Wheat exports (bush.) (Aug.)	21,698,284	14,709,675	75,361,840	92,410,250
Employment, D.B.S. Index—				
All industries (Sept. 1)	102.7	98.8	......	......
Manufacturing	100.8	94.3	......	......
Electric Power Output (Aug.)—				
Total monthly (000's omitted)	1,851,130	1,676,866	15,022,764	13,672,563
Aver. daily	59,714,000	54,092,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (Sept.)	▲112,413	123,163	965,956	1,025,957
Boot & shoe prod., pr. (Aug.)	2,153,955	1,877,661	14,546,387	12,518,840
Crude petrol., imp. gal. (Sept.)	▲127,018,000	118,210,821	830,022,923	792,862,322
Cotton imports, lb. (Sept.)	▲5,857,000	7,669,000	73,849,026	97,217,000
Raw rubber imp., lb. (Sept.)	▲3,594,000	6,205,577	42,792,212	46,991,609
Coal imports, tons (Aug.)	1,528,319	1,462,469	8,107,054	8,209,179
Finance—				
Bank debits (Aug.)†	$ 2,497,602	$ 2,533,455	$ 20,258,840	$ 20,743,567
Bond sales (Sept.)	$ 193,497,802	$ 17,186,817	$ 657,905,029	$ 328,909,276
Life insurance sales (Sept.)	$ ▲26,696,000	$ 26,123,000	$ 267,262,000	$ 274,818,000
Automobile Financing—				
Used cars (Aug.)	$ 1,703,780	$ 1,385,022	$ 15,285,865	$ 10,110,413
New cars (Aug.)	$ 1,689,393	$ 1,480,983	$ 18,353,922	$ 13,031,334

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Oct. 5.

New Products

Macaroni Flour—This special type flour will be manufactured in the plant of Sunera Cereals. Port Dover, Ont., from Durum wheat.

"Form Flow" Autographic Registers—announced by Crain Printers Ltd., Ottawa, Canadian representatives of The Standard Register Co., Dayton, Ohio, is designed for writing multiple copy records such as invoices, service orders, receipts, bills of lading.

Fruit Estimates for 1935

Dominion estimates of Canadian fruit production for 1935 for all Canada are as follows: apples 4,069,400 barrels (3,891,000 barrels in 1934); peaches, 714,933 bushels (407,000 bushels in 1934); pears 312,000 bushels (344,000 bushels in 1934); plums and prunes, 198,163 bushels (187,000 bushels in 1934) and apricots, British Columbia only, 40,767 bushels (75,000 bushels in 1934).

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Background of Business

Sugar Prices Slump

But Piano and Oyster Prospects are Brighter

Good news for housewives; poor news for sugar companies is the new low price level of sugar. Since July, 1934, the price of refined sugar to the trade in Ontario has dropped no less than 15 per cent or about 70 cents per hundred pounds while prices in other parts of Canada (apart from Ontario) are now 40 cents lower than in the summer of last year. The two latest cuts have each been ten cents per 100 lbs., one on Aug. 31 and the other September 11. They have applied right across Canada.

Now in addition comes the new sugar beet crop and since beet sugar is usually available for big buyers at from 8 to 10 cents per 100 lbs. less than cane sugar, it has brought prices in Ontario to the lowest point since pre-war days. The especially low price in Ontario—which in recent months has been on a parity with Quebec prices—is due primarily to competitive conditions between eastern refiners and the Crosse & Blackwell refinery (now Beamish refinery) which has been operating in the open market now for a year and a half.

* * *

Piano Boom

Beverley Baxter remarked recently in Toronto that piano manufacturers in Great Britain were riding the crest of a mild boom. Being in the movie business he attributed this to the romance of the screen which encouraged a piano revival by depicting successful love affairs, aided and abetted by proficient girlish piano players.

Be that as it may, American piano makers report similar gains in the United States, while in Canada manufacturers report sales 15 to 20 per cent better than a year ago.

Many welcome this news, but will wish better proof than has yet been offered that the piano is really making a come-back alongside new musical instruments such as the radio.

Back in 1927, Canadian manufacturers produced for sale 18,000 instruments valued at over $4 millions. Boom times of the next two years failed to better this total, but by 1933 the depression slump, and changed musical habits, had cut production to the record low total of 284 instruments valued at $93,000. Thus even though factories report double the number of men at work now, compared with this time last year the industry has obviously an uphill job ahead of it to regain a measure of its old success.

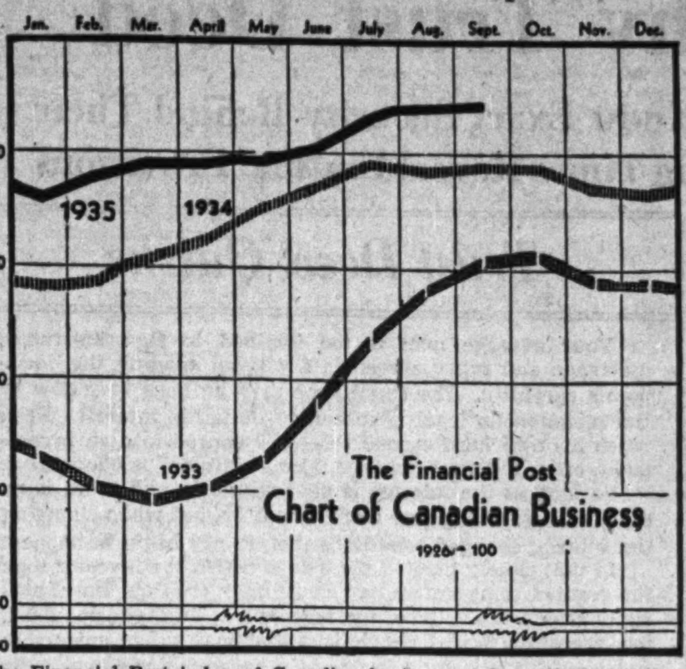
* * *

Musical Instruments

Looking at the musical instrument industry as a whole, there is good evidence of renewed buying in Canada. The best indicator is the monthly index of employment in musical instrument factories prepared by Bureau of Statistics, Ottawa. Early in 1929 this index stood at 110 as compared with 100 in the base year 1926. By March, 1933, employment had shrunk to an all-time low of 20.7 whereas September, 1935 figures show improvement to the 48.4 mark.

Incidentally, the volume of employment in this industry in 1933 was the lowest reached in any industrial group in Canada and even today employment index in this group is the lowest for any of the 35 industries for which information is available.

Business Volume Maintained in September



The Financial Post index of Canadian business made a slight gain last month although many factors showed a considerable decline compared with a year ago, notably our importations of cotton and crude rubber. Exports of lumber and zinc were also lighter.

On the up side, copper and nickel exports and gold shipments were substantially higher, while iron, steel and newsprint production made big gains. Financial factors, with the exception of government bond prices, were also favorable. See special article on page 16.

Hope for Malpeques

Hope that Canada's famous Malpeque oyster beds in P. E. I. will shortly produce an annual catch valued at half a million dollars or more has been expressed by Dr. A. H. Needler, for five years attached to the Canadian Biological Board laboratory at Bideford, P.E.I., to try and solve the riddle of the Malpeque oyster.

"The secret of oyster success," says Dr. Needler, "is oyster farming, a comparatively new industry for the Atlantic coast. Aided by scientific discoveries of the past few years it is hoped in this way that one of the Maritimes' most famous industries will be restored to health and prosperity."

For five years, attempts have been made to restore the famous beds which by 1930 had been virtually "fished out." The great yield of the 80's and 90's were reduced to one sixth in 1905 and in 1916 a disease completely wiped out the industry. Since 1930 the Federal Government has been attempting to solve the mystery and now thinks it has the answer by oyster farming.

The oyster crop of P. E. I. in 1935 is expected to yield $75,000 from 12 of the 200 Government protected beds. Only 12 of these "farms" have been leased this year, but when they are all working it is expected they will produce an annual yield of between $400,000 and $500,000 which will supply all Canada's requirements.

* * *

Boost to Car Makers

Canadian motor car manufacturers got an important sales boost last week when Hon. T. B. McQuesten, Ontario's Minister of Highways, announced that 1936 registration plates and drivers' permits would be available in that province Nov. 1. The same privilege has been extended by Quebec province effective November 15.

This moves the customary date two months in advance, to coincide with the earlier introduction of new models. Many new models are now on the market and the entire 1936 line should be complete by Nov. 9 at which date the National Motor Show is being held at Toronto.

* * *

Produced-in-Canada

Increased demand for space is reported for the eighth national, Produced-in-Canada Exhibition to be held in Montreal Nov. 6 to 16. The show is being held at the Sun Life Bldg.

Besides exhibits from several Quebec provincial government departments, Canadian companies will feature an extensive chemical display. Work of leading Canadian artists will be shown, also an architects' show featuring home and building design and a landscape gardening exhibit. Canadian Authors Association will exhibit books written, printed and published by Canadians.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.50	$5.25
Hogs	10.10	9.85	8.65
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1120	.1120	.1250
Rubber, lb.	.1293	.1259	.1387
Sugar, raw, lb.	.0360	.0365	.0289
Silk, lb.	2.17	2.07	1.20
Wheat (Man.) bus.	.90	.90⅝	.77⅛
Coffee, lb.	.06⅛	.06⅛	.09⅝

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	129.7	130.2	116.7
Fishers'	85.5	85.6	79.0
N. Y. Journal of Comm.	82.1	82.4	76.7
Crumps (Brit.)	68.1	67.6	64.0
U. S. Labor	80.5	81.0	76.6
Canada (D.B.S.)	73.2	73.0	71.5

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Sept.)	79.3	79.4	78.8
W'sale (Sept.)	72.3	71.6	71.9
U. S. Labor (Aug.)	80.5	79.4	77.5
Gt. Brit. (July)	68.1	68.1	66.2

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Is your product
the one white pea
in the pod?

Does your advertising cause your product to stand apart from its competitors in people's minds? A key question: because the return on your advertising will be in direct proportion to the degree in which this is accomplished.

As long as people think that one well-known refrigerator, or tire, or gasoline, or radio is much like another, their choice will depend on service, or convenience, or price, or merely chance. The first manufacturer who can persuade even a minority of the consumers of these products that his radio, his tire, his gasoline, his refrigerator is vitally *different* from the others will have an enormous edge on his competitors.

After all, what is advertising for? Surely it is to accomplish just this service for your product; to make it, in other words, the one white pea in the pod.

And advertising *has* done this job! In the highly competitive field of consumer goods, one brand of coffee is the white-pea-in-the-pod because it is "Dated"! One brand of soap flakes washes more fine things than any other because it "Saves Stocking Elasticity"! One brand of baking powder, one health food, one ham, one face cream, one manicure preparation is the outstanding product of its kind in Canada—leading in sales because it is *different* in people's minds!

The advertising of these products has been successful because in every case a single simple idea, making contact with human needs and human emotions, has been dramatically presented —through all the different media of advertising —until it has been absorbed by literally millions of consumers as an article of faith. These manufacturers *do* have an enormous edge on their competitors!

Our seventy years of advertising experience have proved that only emotional IDEAS★ get under people's skin and bring action ... no matter *what* the product is!

How rich in pay ideas is the advertising of *your* product?

★ "Basic-idea" advertising for products and services such as those below (a partial list only) has made the J. Walter Thompson Company the most vital, the fastest-growing agency in Canada today:

CHASE & SANBORN'S COFFEE
CREAM OF WHEAT
CUTEX MANICURE SPECIALTIES
FLEISCHMANN'S YEAST FOR HEALTH
JERGENS LOTION
KRAFT-PHENIX PRODUCTS
LUX FLAKES
LUX TOILET SOAP
MAGIC BAKING POWDER
McCORMICK'S BISCUITS
NASH AND LAFAYETTE CARS
ODORONO
POND'S CREAMS AND POWDERS
PYREX OVENWARE
ROWNTREE'S CHOCOLATE
SWIFT'S PREMIUM HAM & BACON
SWIFT'S JEWEL SHORTENING
DR. WEST'S TOOTH BRUSH
WINDSOR DUOTOWLS
WRIGLEY'S GUM

J. WALTER THOMPSON COMPANY LIMITED
Advertising
MONTREAL TORONTO

CLOTHES INDIVIDUALLY TAILORED
For Centuries
THE MARK OF THE GENTLEMAN

Overcoats

May we suggest an early selection of your heavy overcoat.

Many smart cloths for both the Chesterfield and Ulster styles are to be found in our stock of fine imported fabrics.

Levy Bros.

69 W. King St., Toronto

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

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61 Yonge St., Toronto
J. F. HOBKIRK, Manager

THE HOUSE OF HOSPITALITY

A Modern Fireproof Hotel of 350 Rooms

Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00

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Club Breakfasts 25c to 60c
Lunch 60c to 75c
Dinner $1.00
COFFEE SHOP

HOTEL LONDON, LONDON, ONT.

Manager: H. F. Struckett

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Timber Cruises and Valuations
JAMES W. SEWALL
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Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

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Know Thy Trust Deed

Few Investors Know Exact Security Behind Their Bonds—Changing Times Reveal Unusual Provisions

Trust Deed Quirks

Your average man is too inclined to sign insurance, mortgage and other agreements without reading the documents carefully. The small type may be hard to follow or the monotonous legal phraseology dulls his interest. Even when his own hard earned money is poured into an investment, often the same "chance taking attitude" is adopted.

So long as the interest is paid regularly and there is no discount everything goes along smoothly, but when changing times bring changed conditions then things begin to happen.

In that closely printed trust deed which the investor took for granted some unfamiliar clause may crop up that materially affects the value of the investment. In that same deed, too, are often buried restrictions that may prove extremely embarrassing and unprofitable at times unforeseen when the document was drawn up.

Idiosyncrasies of trust deeds are dealt with by Mr. Langdon in the adjoining columns.

By JOHN LANGDON

MONTREAL.—The investor is the shrewdest man in the world—at least in his own opinion. Before investing he secures all the available material bearing upon the security he considers purchasing—balance sheet, income account, prospectus, details of operations, past record and other pertinent data.

But would he loan his money on a security that he had not seen or on conditions with which he was not fully conversant? Of course not! However, that is exactly what thousands of investors in this country have done and are doing in purchasing corporation bonds.

Hundreds of millions of dollars worth of corporation bonds have been sold in Canada and out of every 1,000 buyers not more than five have more than a fragmentary knowledge of the security back of their bond. And even five is a generous figure!

Only a Creditor

The purchaser of a bond is in reality a creditor (though reorganizations of late years may have given another impression). This distinction is not realized by many investors. Most of them purchase a bond with the idea that they are "buying into a company." They do not want to assume the risks of a shareholder so they buy a bond with its fixed income and greater security.

Trust Deeds Are Scarce

Whenever a corporation offers its bonds to the public, the security and terms under which the money is borrowed is set out in a trust deed. This document is rarely available at the time of the original offering to the public.

It may be weeks or months later before the lawyers for the underwriters and the company have settled all details and completed the trust deed. Very few copies are printed, despite a potential demand of some size in the case of larger issues. Sometimes the deeds are not even printed, a few typewritten copies sufficing to meet legal requirements.

If a bondholder were to go to a company and ask for a copy of the trust deed covering his bond, he would, in many cases, embarrass the company, which, in all probability would suggest that he go to the trustee.

In one known case the bondholder followed up this suggestion and was astonished to discover that even the trustee did not have a copy of the trust deed.

Don't Exercise Right

The relative scarcity of trust deeds is due to the fact that a very small number of bond buyers ever bother to consult this important document in order to find out exactly what security is back of the bond and the conditions under which the money is borrowed by the company.

For the majority of investors, it is sufficient to know that their bond holdings in the "XYZ" company are secured by the "assets" and that principal and interest will be paid on certain dates.

Wait for "Incident"

It is only when some untoward incident happens that the bondholder discovers he has either more or less security than he knew of, or that there are other conditions which militate against or increase the value of his investment.

The bondholder is not altogether to blame for his lack of knowledge of what is contained in the trust deed covering the bond held. In many cases executive officers do not know what obligations their companies assumed when they went out in the market and raised capital through bond offerings.

The preparation of a trust deed is usually left to the lawyers acting for the company and on behalf of the underwriters. The inclusion of innumerable "whereas" and "wherefor," and "be it resolved," expressions often confuses the main issue so that the full extent of the liabilities or obligations is not always appreciated until a reorganization or some other major trouble arises.

Many Facts Unknown

An examination of a number of Canadian corporation trust deeds, covering bond issues, has brought to light many unusual and interesting features. Often they have a marked bearing on the value or security of the bonds concerned, and, generally speaking, are unknown to the investor and even the investment dealer.

Financial conditions in the past year have been especially favorable for refunding operations by the well-established corporations. Old bond issues, paying from 5 to 7 per cent interest, have been called in and replaced with an issue carrying a lower coupon. In many cases premiums have had to be paid in order to carry out the transaction, but the saving in interest charges has made it well worthwhile.

Bell Telephone Held Up

Many investors have wondered why the Bell Telephone Co. of Canada, with its outstanding record of stability and established earning power, has not taken advantage of the strong money market to refund its debt on a lower interest basis. The management is not unaware of the situation, but when the company issued $30 millions of its Series A bonds in January, 1925, the covering trust deed said that the bonds could not be called until 1940.

Two years later Bell Telephone issued another $30 millions of bonds, known as the Series B issue, and again the trust deed included a clause to the effect that none of this issue could be called until June 1, 1947 and then only in blocks of $10 millions each.

It would seem that the trust deeds covering Bell Telephone financing were all made up on the same pattern, for the company has obligated itself not to call the Series C bonds prior to 1950.

Help Bondholder Only

This "little" clause in the trust deed covering its bond issues, is likely to cost the Bell Telephone Co. of Canada several million dollars in interest charges. Had it not been present in the trust deed, the company could have taken advantage of the low interest rates to refund its bonded debt. The bondholder, on the other hand, knows for certain that the company can't call the bonds for several years and this is one of the reasons why the bonds are today selling at a heavy premium.

Can't Foreclose on C.P.R.

In Canada, the United States, and England, are thousands of holders of Canadian Pacific Railway perpetual consolidated debenture stock, or collateral trust bonds secured by the debenture stock. If the worst came to pass and the company had to default on its debenture stock or collateral trust bonds, how many holders know they cannot foreclose?

In the Act of Parliament authorizing the creation of the consolidated debenture stock, there is no mention of foreclosure proceedings in the event of default. The debenture stock is a first charge on the whole of the undertaking, with certain specific exceptions, and in the event of interest being unpaid for a period of 90 days, the holders of the stock would have exclusive voting rights. Holders of the ordinary shares would have no vote and would cease to act as shareholders of the company until interest was fully paid.

Three-Way Pay Bonds

Within the last three years considerable importance has been attached to the manner in which interest payments are made. Where interest is payable in London, New York, and Canada, added value has been attached to the bond. Likewise where interest is payable in only two markets, such as Canada and London, or Canada and New York, the market makes adjustments accordingly.

Steel of Canada Bonds

Three-way pay bonds have been favored in recent years and ranking high on the corporation bond list are the 6 per cent first mortgage bonds of Steel Co. of Canada. These bonds were issued in 1919. When the premium on U.S Exchange went to 20 per cent or more, bondholders demanded interest be paid in U.S. funds. No one questioned their rights, until it was discovered that all of Steel Co. of Canada's first mortgage bonds are not payable at the option of the holder in Canada, New York or London.

Originally the company issued the bonds in three sections. The so-called Sterling issue of £1,184,880 is payable as to principal and interest in the three markets.

The second section comprised a currency issue of $3,083,400 payable as to principal and interest in Canada and U.S. funds, but not in sterling.

Then there is an interim issue of $1,150,000 in Canadian funds.

For many years all three sections of Steel Co. of Canada's first mortgage bonds have been considered equal in all respects and it was not until sterling went to a premium in Canadian funds that it was discovered that all of the bonds were not payable in the three markets.

Security and Security

A first mortgage is a first mortgage, but it is not always secured by all of the assets of the issuing company. Take the case of New Brunswick Power Co., which in 1917 issued over $2 millions of first mortgage bonds "secured by a direct first lien on all property, rights and privileges owned at the time of issue or acquired thereafter . . ."

One of the most important and largest of the assets vested with this company is a steam electric generating plant of 17,000 h.p. located in Saint John. Practically all of the company's bondholders regard this asset as part of the security back of their bonds. This is not so. The steam power plant is security for advances made by the parent company—Federal Light and Traction Co.—and does not come under the provisions of the trust deed covering the first mortgage bonds.

Sometimes Lack Sinking Fund

Nearly all investors know that when a company borrows money by the issuance of bonds, it invariably makes provisions out of earnings to retire part or all of the bond issue before maturity. A special reserve, known as the sinking fund, is set up for this purpose.

Probably the majority of bond buyers take it for granted that all corporations establish sinking funds in connection with their funded debt, or perhaps they do not even give consideration to this ofttimes important point. There are exceptions. In 1911 Montreal Tramways Co. issued over $21.3 millions of first and refunding mortgage bonds. maturing in 1941. The trust deed covering this issue does not provide for any sinking fund, though such provision was made in later and junior bond issues.

Then again there are varying types of sinking fund. Some trust deeds state that 1 per cent of the bonds shall be retired annually. Other say 1 per cent plus interest on the bonds retired, etc.

Dominion Coal "Joker"

Now and again a joker slips in, such as in the case of Dominion Coal Co., which, back in the halcyon days of 1905, sold $7 millions of first mortgage bonds. The trust deed was drawn up and provision made for a sinking fund. It specified that commencing May 1, 1911, the company should set aside a certain amount of money each year for the purchase of bonds.

The trust deed was to all appearances in order, but the company bound itself to call the bonds for the sinking fund by lot at 105—no more or no less.

What this "joker" has meant to some of the fortunate bondholders may be gathered by a knowledge of the fact for many years the bonds were selling on the open market at less than par. Thus in 1933 a bond which on the open market was not worth more than 37 was drawn by the company for sinking fund at a cost of 105, or nearly three times its market value.

If the United States ever undertakes inflation on the scale anticipated in some quarters, despite the reassurances of President Roosevelt, many Canadian investors would find their income restricted if the American dollar went to a discount in terms of Canadian dollars.

Over the past 10 years many millions of dollars of American securities have been sold in this country. Until of late such matters of exchange did not interest the ordinary investor, who did not bother to find out the manner in which the issuing company obligated itself to pay interest and principal.

Pay U.S. Funds Only

Duke-Price Power Co., now known as the Saguenay Power Co., has outstanding over $35.5 millions of first mortgage bonds. Many of these are held in Canada, and few Canadian holders know that the trust deed says specifically that interest is payable only in U.S. funds.

Last November when American funds were at a discount in Canada, the company paid the interest in Canadian funds to bona fide Canadian residents, even though under no obligation to do so.

Other companies may not be so generous, so it behooves the Canadian investor to look at his bonds, especially those issued by foreign companies, to see whether or not he can demand payment in one or more markets.

A number of trust deeds make provision to pay certain taxes chargeable against interest payments. This was found necessary in order to facilitate the raising of new capital, especially when it had to be done outside the country.

Shawinigan Pays Tax

Shawinigan Water and Power Co. has secured a large proportion of its capital in the United States, and in order to make its bonds more attractive to investors across the line, the company agreed that when held by residents of the United States, bonds are free from present or future taxes imposed by any taxing authority in Canada.

The holder of a Shawinigan bond, resident in the States, is thus free of the 5 per cent tax imposed by the Federal government on interest payments made outside of the country. But a like provision is not made in the trust deed for the investor living in England or any other country outside of Canada, always with the exception of the United States.

This list of unusual and interesting features of trust deeds covering bonds issued by Canadian corporations could be extended. Sufficient material has been set forth, however, to show that trust deeds may vary to the detriment or advantage of the bondholder. They are to be studied, for it pays the bondholder, in his position as a creditor, to know the security back of his investment and the terms and conditions under which the company agrees to honor its debt.

Canadian Flax Suitable

The linen industry of the United Kingdom is almost entirely confined to Scotland and Northern Ireland. In the opinion of members of the Scottish linen trade who have a knowledge of Canadian flax, the latter is specially suitable for the dry spun yarn produced and woven in Scotland.

STILL SEEKING UTILITIES CONTROL FOR VANCOUVER

City Council Would Appoint Utilities Commission

From Our Own Correspondent

VANCOUVER.—This city is still playing with the idea of establishing a more rigid control over public utilities, but it is still uncertain as to how this objective should be effected. With agreements with the B.C. Electric Railway pending, the city council is discussing various proposals so that it will be in a position to sponsor a definite suggestion when its representatives confer with officials of the company later this month.

Allan J. Smith, public utilities consultant engaged by Mayor G. G. McGeer and whose report on B. C. Electric affairs recently drew sharp denunciation from vice-president E. H. Adams, is still urging the council to proceed with appointment of a public utilities commission, which presumably he would head. Mr. Smith prefers a civic commission rather than a provincial one, arguing that a provincial body would push public utilities into politics. Ald. G. C. Miller, former finance committee chairman, has pointed out, however, than Vancouver's experience has revealed little difference betwen civic and provincial politics.

To Suggest Commission

A committee of the council will recommend the appointment of such a commission to the mayor and aldermen at an early meeting, although warned by counsel that the city has no authority to do so.

The council will ask the B. C. Electric if it is agreeable to consolidation of the various franchises under which it operates in Greater Vancouver. These franchises were granted by the city of Vancouver and the municipalities of Point Grey and South Vancouver prior to amalgamation in 1929 and it is believed that a single agreement covering all districts would prove a more convenient instrument in negotiations. There is some question as to whether the company has power to cancel these old franchises and draw up another.

Vancouver authorities will seek information from several United States cities on the operation of the "cost plus reasonable profit" basis of operating street car lines.

CHAMPLAIN OIL PLAN TO REDEEM SENIOR STOCK

If Authority Given, Will Raise Capital Through Common

From Our Own Correspondent

MONTREAL. — Provided that authorization is secured, Champlain Oil Products will redeem all of its outstanding 500,000 preferred shares, at $7.50 a share plus accrued dividends.

A meeting of the shareholders will be held Oct. 25 to consider the matter. Authority will also be sought for the conversion of 500,000 shares of preferred, held in the treasury, into common shares, to be sold. The proceeds will be used only for the redemption of the preferred.

Sold At $7.50 a Share

At present Champlain Oil capitalization consists of 150,000 no par common shares authorized and outstanding and one million no par preferred shares authorized, of which 500,000 shares are outstanding. There are no bonds. The preferred stock was first offered in August, 1933 at $7.50 a share by a syndicate headed by Nesbitt, Thomson and Co.

Redemption of the 500,000 preferred shares at 7½ will involve $3,750,000 and the quarterly dividend will require an additional $75,000.

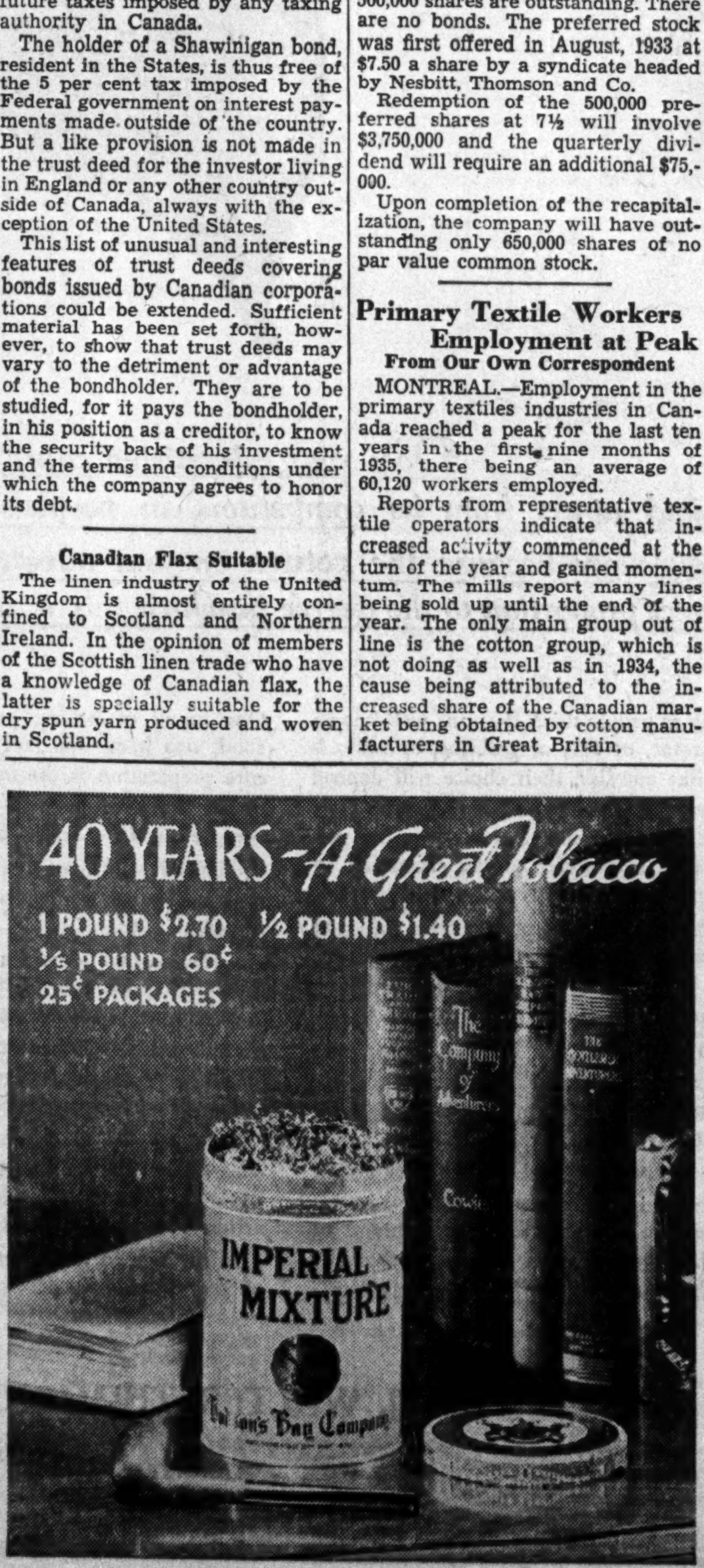
Upon completion of the recapitalization, the company will have outstanding only 650,000 shares of no par value common stock.

Primary Textile Workers Employment at Peak

From Our Own Correspondent

MONTREAL.—Employment in the primary textiles industries in Canada reached a peak for the last ten years in the first nine months of 1935, there being an average of 60,120 workers employed.

Reports from representative textile operators indicate that increased activity commenced at the turn of the year and gained momentum. The mills report many lines being sold up until the end of the year. The only main group out of line is the cotton group, which is not doing as well as in 1934, the cause being attributed to the increased share of the Canadian market being obtained by cotton manufacturers in Great Britain.



Standards Act Is Interpreted More Leniently

The orders established under the Ontario Industrial Standards Act, which apply to the construction trades, are not being interpreted as applying to regular employees of manufacturing concerns, The Financial Post is informed.

It is pointed out that wage rates of those engaged in construction are necessarily higher than for similar types of work when carried on in an industrial plant, because of the intermittent character of employment. For this reason, manufacturers have been anxious to know if they would be obliged to pay the schedules adopted for the construction trades.

It is believed, however, that on temporary help engaged for work of a kind covered in one of the schedules the rates determined under the Act will have to be paid.

Orders have now been adopted covering 11 divisions of help of the building trades in the Toronto zone, four divisions in Ottawa, two in Hamilton and one in Port Arthur and Fort William. In addition to rates for skilled, semi-skilled and unskilled help in the furniture industry, eight classes of workers in the brewing industry, seven in the millinery industry and five in the baking industry, come under schedules of wage rates and maximum hours of work.

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DOMINION BATTLESHIP LINOLEUM

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What impression do the floors in *your* place of business leave on *your* clients? With Dominion Battleship Linoleum, available in 19 colours and effects, you can reproduce any given design and create unusually beautiful floors which will reflect the character of your organization. Write for particulars of our 5-year guarantee.

● *How much of your Overhead is Underfoot?* ●

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

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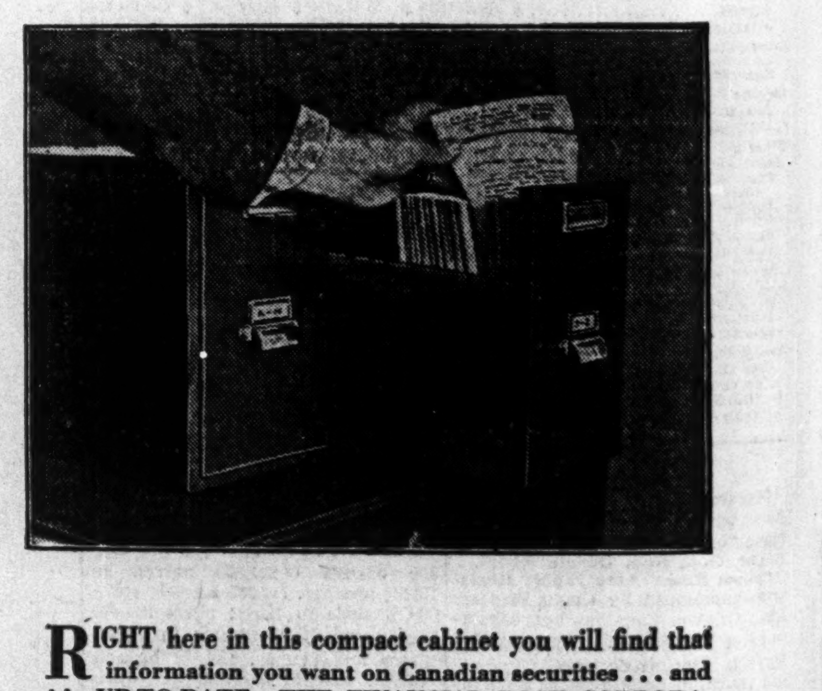

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Abitibi Power

I would like your opinion as to the prospects of the common stock of Abitibi Power and Paper Co.

It will be many years before the company can be expected to have earnings available for common stock unless there is considerable writing down of the claims of the bonds and preferred stock that go before it. The company is still being operated by receivers and sales and prices will have to be at more profitable levels before reorganization proposals are made. The prospects are vague.

George Weston Ltd.

I have been advised to sell Dominion Engineering stock and put the proceeds in George Weston Ltd. common at about $16. Could you give me a report on the latter company?

The common stock of George Weston Ltd. has caused a good deal of public interest in the last two years because of the aggressive expansion policy of the company. It has expanded into United States and Great Britain. In Canada, it has plants making fine, fancy and plain biscuits, bread and confectionery. All of these are reported to be doing well. Obviously, the market is divided between those who see chances for considerable profit if these ambitious plans succeed to the extent hoped, and those who are inclined to wait until the passage of time shows just how successful they will be. The wide market swings in the common stock will at least give you some excitement if not profit.

Brewing Corp.

I would appreciate some information on the operations of Brewing Corp. Are dividends being paid?

Brewing Corp. is paying one half the dividends on the preferred stock and nothing on the common. Sales and earnings have improved in the current year over last year, but are far short of the expectations of promoters. They are hopeful that they will be in a better position next year, but these hopes, like those of the past, remain to be realized.

C. P. R. Preference

Some time ago I switched from the ordinary shares to the preference stock of Canadian Pacific Railway As I am dependent on my investments for income, I would like to know if there is any possibility of the company paying a dividend on the preference shares this year.

Last year the Canadian Pacific Railway's income statement showed sufficient net income to pay the dividend on the preference shares. The directors, however, took the stand that the liquid position of the company needed strengthening and until conditions were more stabilized, it would be better not to pay a dividend on the preference stock.

Reports to date indicate that income from railway operations will not be as large as a year ago. Fixed charges should be covered comfortably, but even if the balance is sufficient to cover a dividend on the preference stock, it is unlikely that the management will take any steps in that direction.

It is rather difficult to forecast when the company will resume dividend payments, but it is unlikely to be in the near future. In the first place the management is anxious to build up working capital. Secondly, the company still has heavy obligations in connection with its American lines. And thirdly, there is the question of refunding or paying off the loans advanced by the chartered banks under guarantee of the Dominion Government.

Bloor-St. George Realty

I hold some Bloor-St. George Realty bonds which are in arrears in interest payments. How does this company stand?

Bloor-St. George Realty continues to make interest payments as earnings accumulate. The coupon due Feb. 15, 1934 was paid Sept. 15, 1935. The showing is comparatively good in relation to other real estate investments.

Bawlf Grain

As a subscriber to The Financial Post, I would like to have a report on the current position of the Bawlf Grain Co.

N. Bawlf Grain Co.'s operating profit is dependent on the volume of grain handled by its country elevators. Due to the short crop in the 1934-35 fiscal years, operating profits fell to $96,672 from $194,919 in the previous year, while net profit dropped to $1,064, from $13,044 in the previous year. Preferred dividends were deferred following the December, 1930 payment, and arrears now amount to $22.75 a share.

In his report to shareholders, the president stated that crop reports indicated that the company will again have reduced handling during the 1935-36 fiscal year.

Consolidated Sand

I hold some preferred shares of Consolidated Sand and Gravel Co. Could you give me some idea as to the company's present position and whether or not there is any prospect of dividends?

Total deficit of Consolidated Sand and Gravel was not quite $107,000 at March 31 last, only $2,634 having been added in the 1934-35 fiscal year. The company has current assets of approximately $196,000 as against current liabilities of slightly over $7,000 so that working capital is not lacking.

There has been some improvement in the company's operations in the past two years. The company, however, is a long way from either earning or paying preferred dividends. A general revival of construction trades, requiring building materials, will be necessary before dividends can be considered likely.

Pressed Metals

What do you think of Pressed Metals?

Pressed Metals is a small steel company, owned by Canadians and well managed in Detroit. It has shown a good deal of enterprise in the past and its prospects are well regarded by those who have been following it closely.

Detroit Bridge

Is there any possibility of interest being paid on the bonds of Detroit International Bridge Co.? How can the interest of bondholders be protected?

There have been losses in the last three years in the operations of the Detroit International Bridge Co. The deficit is staggering and there is no prospect of interest. The only way in which bondholders can be protected is through protective committees which are functioning now.

International Loan

I hold stock of International Loan Co. and would like your views on prospects for earnings. What is the market for the stock?

There is no active market for shares of International Loan Co., Winnipeg. To obtain a price, you could apply to the company. It has been paying dividends of $3 a share, but last year only earned $2.97 a share. The company's assets, consisting chiefly of first mortgages, amounted last year to $1.1 millions, and exceeded capital liabilities by $171,489 which was the reserve. There were no public liabilities. Since the company does not take unpaid interest into earnings, there is some prospect for increased income.

Ford of Canada

I hold Ford A stock. Could you give me an opinion on the company's current position?

Ford of Canada has a very strong financial position and in the last year and a half has been tackling the car market aggressively and successfully. Naturally, it is a keenly competitive business. But Ford's financial strength, its success with engineering problems and the amounts now being spent for expansion suggest that in the long view it is a good company to back although recent earnings have been erratic.

E. L. Ruddy Co.

Can you give me any information on the earnings of E. L. Ruddy Co.? Do you consider this company's bonds a good investment?

E. L. Ruddy Co. has been able to show profits, despite the depression. Bond interest was not earned in full, however, in 1932 and 1933, after allowing depreciation. It was just covered after the depreciation charge in 1934. The price of the bonds is about 94 bid, 98 asked, although this is an inactive market, and quotations cannot be stated definitely. There is nothing particularly unsatisfactory in this investment, and the amount of first mortgage bonds outstanding is being reduced.

Canadian Rail & Harbour

I hold $2,500 principal amount of 6½ per cent Canadian Rail & Harbor Terminals bonds which I purchased for $1,000. What are the prospects of these bonds?

Canadian Rail & Harbor Terminals is, of course, in an unsatisfactory position. It is paying no interest on the bonds, but, after all, you got a 60 per cent discount, even though the bonds are now worth only about half what you paid. The company is able to show net operating earnings of about $150,000 annually, but from this must make certain allowances for receiver's fees and maintenance expenditures. It does appear, however, despite unusually poor conditions, that the company is capable of earning something on the bonds. There are two protective committees, one in Toronto, and in New York. The Toronto committee is headed by Rt. Hon. Arthur Meighen, and it can probably be relied upon to protect your interests. Reorganization of the property is not an immediate probability, unless the Toronto and New York committees combine their interests. While the investment is far from hopeless, it is likely to be some time before you can receive a payment of interest.

Manitoba Power

Can you tell me the reason for Manitoba Power not paying coupons due July 1, 1935, on its bonds?

Manitoba Power bonds are not paying coupons due July 1, 1935, because bondholders of Winnipeg Electric Co. and subsidiaries have been having meetings to decide whether or not they would accept the reorganization plan proposed early in the year. All bondholders have accepted the plan except Manitoba Power Co. The next meeting is in November and meanwhile no interest will be paid.

Manitoba Power bonds are not receiving as much as bondholders might expect in view of the fact that interest has been earned. This is because the city of Winnipeg is ending its contract to take power from the company, and after 1937 this source of revenue will not be present.

Erie Investments

Can you advise me as to the worth of the shares of Erie Investments Ltd.?

Erie Investments Ltd. owns several oil wells in Texas, which earlier this year were producing a small flow. The company, we are informed, is earning operating expenses but no more. We know of no market value for the shares.

Assoc. Brew. vs. Gatineau

I hold 20 shares of seven per cent preferred stock of Associated Breweries which I purchased at 85. The proposition of selling these at the present market of about 107 and re-investing in Gatineau Power first mortgage bonds is being strongly pressed on me. I would appreciate your opinion of this proposition from an investment standpoint.

The proposal that you should sell your preferred stock in Associated Breweries and re-invest in Gatineau Power first mortgage bonds involves a speculation in what the Ontario Government and the Hydro-Electric Power Commission are going to do. It is apparently their intention to insist on revision of Gatineau Power's contracts. This does not add to the attractions of the Gatineau bonds.

Registering U. S. Shares

As director of a Canadian company, I wish to have shares of an American company registered in my company's name. A stockbroker tells me there's a lot of red tape to it, and offers to give us assigned certificates instead of registered certificates. Is this a satisfactory practice?

No. The assigned certificates are negotiable and might be lost, destroyed or stolen, just like money, at your expense. Also, you would have to claim on the broker for each dividend. He would not know who held the certificates since they can be passed freely from hand to hand. So that every time a dividend is declared, you would have to ask for it. You might miss some payments and never collect.

Under the rules of the New York Stock Exchange, you must supply names of all officials of your firm in order to have the shares registered in your company's name. You must also verify these by making certified copies of the minutes of the meetings at which the officials were appointed. Once you have done this, however, the documents need only be kept up to date. Photostat copies of the papers can be made in New York to supply the various persons who require same. Then, future transfers of shares can be made with little difficulty in New York.

St. Boniface Bonds

I hold some St. Boniface bonds. Is there any possibility of an interest payment on these in the near future? Is refunding in prospect?

St. Boniface, Manitoba, is in default, and is paying no interest on its bonds. W. C. McKinnell, Winnipeg, is supervisor for the defaulting city. This is a bad default, but the position of bondholders is not hopeless. Last year, Mr. McKinnell had some expectation that tax collections might leave something over for bondholders in 1935, but no payment has been made. Plans for refunding the city's defaulted debt may be considered, now that the Dominion election is settled.

New Brunswick Power

I shall be glad if you will let me have what information you can regarding New Brunswick Power first preferred stock.

A short time ago the New Brunswick Power Co. informed Saint John that the operation of two electrical systems in the municipality was uneconomic and that if the company were to continue in business it would be necessary to make further capital expenditures. The suggestion was made that the city should take over the company's properties. Following up this suggestion, the city made arrangements for a firm of accountants to examine the books of the company with a view to arriving at a satisfactory price. This work has been delayed by the death of the chartered accountant in charge of the work. The value of the company's first preferred stock will be largely determined by the outcome of these negotiations. In the event of a failure to make a deal this company proposes to make an offer for the civic system.

Mining Enquiries

Central Long Lac

We would greatly appreciate your giving us any information you may have on Central Long Lac Gold Syndicate.

The property of Central Long Lac Gold Syndicate was acquired late last year by Centralac Mining Co., Ltd., for 1.4 millions shares, par values of which are $1. This stock is all pooled until early next year and no statement as to basis of distribution to unit holders of Central Long Lac Syndicate has been forthcoming from officials of the company.

At the present time, Centralac Mining Co. is looking for more attractive property. The original Long Lac group and a second group in the Sturgeon River area were a complete washout. The company has issued no financial statement so it is impossible to predict what position it would be in, even supposing that it were to locate a more promising prospect. Of an authorized capitalization of $3 millions and $1 par value stock, the only outstanding stock is the $1.4 millions issued to Central Long Lac Syndicate. The fact that Centralac Mining Co. still has about half of its authorized capitalization in the treasury is perhaps the brightest feature in the outlook for this company.

Champlain Rouyn

Will you please give us a report on the Champlain Rouyn Mines Ltd.? Are these shares listed on the market?

Our records show that Champlain Rouyn Mines Ltd. is inactive, and we know of no market for the stock at the present time. It is not listed on any Canadian Mining Exchange. The company was incorporated with a Quebec charter in 1928, the head office being Room 202, 266 St. James St., Montreal, Quebec. The property was a copper prospect of 1,100 acres in Destor Township of Quebec.

L. B. United

Will you kindly give us a report on L. B. United Mines Ltd.?

Chief importance of L. B. United Mines at present is its property, acquired from Centennial Gold Mines, in Swayze Township, and on which mill construction is currently under way. The mill will be of a 50-ton capacity, it is understood. Underground, results have been encouraging, and a grade of ore of about $11.50 per ton may be counted on. The company, as far as we are aware, has as yet issued no estimate of ore reserves, although the mill is scheduled to be ready for operation by the latter part of October.

On the whole, this property appears to present a fair speculation, although it must be considered a speculation only. In addition to the Centennial property, L. B. United Mines holds property in Powell Township, in Whitney Township, and in Tiblemont Township. The company has an authorized capitalization of $3.5 millions, of which, as at August 10, 1935, $1,608,743 were outstanding. Par value is $1.

National Silver

A shareholder in National Silver Mines, I am slightly confused by the merger with Premier. Will this be good or bad for National Silver shareholders? An explanation of the merger would be appreciated.

The whole picture in connection with National Silver is complicated and it is therefore almost impossible to predict at this time what the merger referred to by you will mean directly to National Silver shareholders.

As you are probably aware, National Silver Mines is a holding company which formerly held the gold-silver property in the Salmon River section, adjoining the Premier and B. C. Silver properties. National Silver turned this property over to Sebakwe and District Mines Ltd., which, in turn, controls National Silver Mines. In turn, Sebakwe and District Mines is controlled, through stock holdings, by Selukwe Gold Mining and Finance Co.

When National Silver turned over its property to Sebakwe and District Mines, each 1,000 shares of National Silver Mines entitled the holder to 147 shares of Selukwe and 317 shares of Bush Consolidated.

It is only in this way that shareholders of National Silver Mines are affected by the merger between Selukwe, Sebakwe, Premier and B. C. Silver.

Although, as pointed out above, the connection between National Silver Mines and the new company, Silbak Mines, is a remote one, it would appear that the equity of National Silver Mines shareholders would be enhanced by the merger.

Diana Gold Mines

I should like some information regarding Diana Gold Mines. Why is the stock so low when, as I read in The Post, it is now producing? What is the financial position of the company? What are its future plans?

Diana Gold Mines has never issued a financial statement, but we understand that the auditors are at present working on the books, and it is expected that a financial statement will be issued in the course of a month or so.

Diana has not yet demonstrated that it can operate at a steady profit. In July of this year operations actually ran the company into the red, although it is claimed that operations since then have been better. September production was up considerably at 370 oz., which would give this Rice Lake producer a gross of about $12,500 for the month. Public confidence in the venture, however, is not such as to warrant high market prices.

As to future plans, the mine has been dewatered to the 750-ft. level. On the 375-ft. level, an ore shoot was tapped, running into reportedly high values over average mining width. The company reports that an additional ball mill is to be installed, with the idea of bringing the present capacity and amalgamation process up to 90 tons per day. At the present time, the capacity of this mill is 50 tons per day.

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Mr. Picobac Stands Pat

"I'LL play them as they lie," said Mr. Picobac. "While you fellows are filling your hands I'll be filling my pipe. What I like most about poker is the chance it gives me to have a mild ... cool ... sweet smoke in the company of congenial friends."

Mr. Picobac chuckled as he carefully tamped the moist, fragrant Picobac tobacco into his pipe.

"Picobac is a friendly smoke," continued he. "Never burns the tongue — never bites. Nothing mean about it. Always a steady, friendly comfortable old pal, whether you're winning or losing. I'll stand pat with Picobac — any time."

"How many cards *do* you want?" demanded the dealer.

"All I ask is a match," replied Mr. Picobac calmly.

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Great Lakes Paper Intrigues Pressed by Non-Bondholders

Ontario Securities Commission Latest Resort; Political Devices Used by Newsprint Opposition

Every conceivable influence is still being exerted to interfere with sale of assets of Great Lakes Paper Co. recently approved by bondholders.

Apparently representatives of other firms in the newsprint industry are behind the blockade campaign.

In the past week, representations have even been made to the Ontario Securities Commissioner, John M. Godfrey, K.C., urging him to intervene in the transaction. He is unlikely to do so, The Financial Post understands.

Archibald R. Graustein, New York czar of Canada's newsprint industry, heads the impressive deputation seeking to influence the Ontario government against the Great Lakes deal. His particular fear of the deal is that it may be another barrier to his campaign for a higher price for newsprint. This, it is understood, is the chief reason for opposition to the sale.

Deep Intrigues

Inside story of bitter fight over the assets of Great Lakes Paper Co. is one of deep industrial and financial intrigue. Pressure, influence, even threats, have been used.

The crux of the situation is this: Newsprint interests see a menace to their efforts to raise the price of newsprint in the Great Lakes deal. They dislike the plan of Great Lakes bondholders to take powerful American publishers into partnership in the newsprint business. Hence, the newsprint industry as a whole opposes the deal, not to help Great Lakes bondholders, but to guard itself against a suspected, but unproved, danger.

Financial Interests

Financial interests are drawn into the turmoil. There are banking interests which have a large stake in newsprint entirely outside Great Lakes Paper Co. Then there are banking interests which stand to see large advances wiped out if the company is sold by its bondholders.

There are large institutional investors which hold bonds of a number of newsprint manufacturers. A blow to other newsprint firms might be more important to these investors than the benefits of a favorable sale of the Great Lakes Company.

Knox Big Interest

Col. Frank Knox owner and publisher of the Chicago Daily News, is the man behind the Great Lakes deal. Col. Knox is front-running candidate for the Republican party nomination in the U.S. presidential election of 1936. He did not appear personally in the Great Lakes deal, but Lynn E. Aldrich, treasurer of the News, was his agent. Mr. Aldrich's name was coupled with that of John E. Gefaell in the bid which was accepted recently by bondholders.

By mistake, their offer became known as the Gefaell-Aldrich bid. This placed Mr. Gefaell in the limelight. The original intention had been to make the order of names Aldrich-Gefaell. What happened was that the original offer was signed, first by Aldrich, second by Gefaell. On the outside cover, however, the stenographer had typed the names, first Gefaell, second Aldrich. And this is the order in which they appeared in the printed offers and in which they have become well known to investors in newsprint securities.

Gefaell Promoter

Mr. Gefaell, promoter of the deal for Great Lakes Paper Co., is a newsprint salesman. He is a partner in Parsons & Whittemore, old New York paper merchandisers. But he is the lesser figure in the deal which rests chiefly on tonnage contracts from what is popularly called the Knox syndicate; the publishing group headed by the Chicago News.

Little is known in Canada of Mr. Gefaell's personal record. He was born in Vienna and emigrated to the United States with his family as a boy. He graduated from Princeton University and went into the newsprint business. He became American representative of Scandinavian newsprint producers. Later he joined Parsons & Whittemore. They had been acting as agents for Scandinavian pulp for many years. It was through Parsons & Whittemore that he became acquainted with Great Lakes Paper Co.

Enter National Trust

National Trust Co., Toronto, came into control of Great Lakes Paper Co. in 1931, as trustee for the company's bondholders. It was appointed receiver and manager, following default of bond interest.

Great Lakes had been a subsidiary of Minnesota and Ontario Paper Co. It had no executive or sales offices and the trust company had to establish them. Parsons & Whittemore were hired as sales agents. Since Mr. Gefaell was a member of the firm of Parsons & Whittemore, he handled business for Great Lakes. Hence, when the property was put up for sale, he was interested in getting a group to handle it. He found a willing backer in Col. Knox who had been interested for some years in the Great Lakes property's potentialities as a source of newsprint supply.

So the Gefaell-Aldrich, or Aldrich-Gefaell, bid was entered for the assets of Great Lakes Paper Co., just like the bids of four other would-be buyers. Bondholders accepted it by a 77 per cent vote of those present at their final meeting. Having accepted the first bid put to a vote, bondholders did not vote on the others.

Votes in Opposition

Some 23 per cent of the bonds represented when the Gefaell-Aldrich offer was put to a vote were balloted against it. Most of these opposing votes were proxies held by Louis LeCourse Lang, Kitchener, first vice-president of the Mutual Life Assurance Co. of Canada. The proxies came mostly from institutional investors, some of whom actually favored acceptance of the Gefaell-Aldrich offer. This paradox is explained by the intrigues behind the scenes.

At the meeting of bondholders, R. S. Robertson, K.C., Toronto, presented a bid for the Great Lakes assets from Black Sturgeon Newsprint Ltd. This offer was backed by nine or ten Canadian newsprint firms, some of which are themselves in bankruptcy. The Napoleon behind it, however, is understood to have been A. R. Graustein, president of Canadian International Paper Co. His are the biggest newsprint interests in Canada.

Black Sturgeon Scheme

The Black Sturgeon offer was criticized by bondholders and by Rt. Hon. Arthur Meighen, chairman of the bondholders' committee. Mr. Meighen pointed out that any one of the firms supporting the offer could act so as to knot the affairs of Great Lakes Paper Co. to the disadvantage of bondholders.

As a moving spirit in the Black Sturgeon bid, Mr. Graustein had another string to his bow. If the B.S. offer were declined, it was at least probable that the Gefaell-Aldrich offer would be voted on. So there was electioneering. It is understood that prior to the meeting he had conversations with Louis L. Lang. Apparently he convinced Mr. Lang that it would be the worse for newsprint investments of Canadian institutions if the Great Lakes bondholders accepted the Gefaell-Aldrich bid.

Convincing Others

Other large holders of Great Lakes bonds, however, were not convinced. They merely wished to make a good deal for the Great Lakes firm, without too much concern for some uncertain hazard to the industry as a whole. These rebellious institutions were actually considering withdrawing their proxies from Mr. Lang's hands, The Financial Post understands. But they were brought into line, and allowed their bonds to be voted against acceptance of the Gefaell-Aldrich bid.

When the Great Lakes deal comes up for court approval, the large institutional bondholders who voted against it will not all register opposition, it is understood. Some of them feel they did more than their part in leaving their bonds to be voted "against" by Mr. Lang.

More bondholders may express approval of the Great Lakes deal in court than in the recent vote. The bondholders' committee is circularizing all known holders of Great Lakes bonds asking them to express their opinions of the deal in writing. Undoubtedly the results of this appeal will be presented when the Supreme Court is asked to ratify the bondholders' proceedings.

Political Angles

Col. The Hon. J. L. Ralston, prominent Montreal Liberal, is acting as counsel for the newsprint industry and Mr. Graustein in opposing the Great Lakes deal. As a former cabinet minister of Rt. Hon. W. L. M. King, he is a strategic choice to deal with the Liberal Hepburn government at Toronto.

Rt. Hon. Arthur Meighen, chairman of the Great Lakes bondholders' committee, on the other hand, is well known as a prominent Conservative, being leader for the party in the Senate and a former Prime Minister. The question naturally arises: Will politics carry weight with the Ontario government in the Graustein-Ralston campaign against the Great Lakes deal?

Graustein and Hydro

Mr. Graustein's relationships with the Ontario Government are also naturally concerned with Gatineau Power Co., of which he is president. This company's large contracts with the Ontario Hydro are in danger. It would not be unnatural for Mr. Graustein to tell Premier M. F. Hepburn that completion of the Great Lakes deal, coupled with cancellation of Gatineau's Hydro contracts, would threaten his firms with bankruptcy.

Will Mr. Hepburn's attitude on the Great Lakes deal be affected by his Hydro contract policy? Mr. Hepburn could halt the Great Lakes sale in its tracks by cancelling Crown grants of timber limits to the company. By this means he might soften the blow to the Graustein interests of cancellation of Gatineau Power Co.'s contracts.

At the final bondholders' meeting, Col. Ralston as much as threatened some such action as this plea to Mr. Hepburn, if the Gefaell-Aldrich bid were accepted. Has he or has Mr. Graustein any other weapon with which to bring Mr. Hepburn into line?

Propaganda Spread

Another phase of opposition to the Great Lakes deal is a whispering and propaganda campaign of uncertain source. Reports have appeared in widely scattered sections of the press "explaining"—sometimes for directly conflicting reasons—why the Great Lakes deal is baneful to Canada and to the newsprint industry.

Other reports being circulated are that the proxies furnished to Great Lakes bondholders were "trick" documents. This is denied by the bondholders' committee and by National Trust Co., which conducted the bondholders' meetings with painstaking precision.

Then there are allusions to commissions to be paid to John E. Gefaell for managing sales of Great Lakes Paper Co. F. R. MacKelcan of the National Trust Co. states that such commissions must be paid for the sale of newsprint whether the company is in receivership or not. He sees nothing unusual in this arrangement.

Over the 10 years of the Gefaell-Aldrich tonnage contracts, commissions of some $600,000 would accrue to Mr. Gefaell. Much has been made of this as a reason for opposing the Great Lakes deal. At only $40 a ton, sales for the period would amount to about $36 millions. The average commission, therefore, would be about 1.67 per cent of sales at $40 a ton and might be a lesser rate.

Personal criticisms of Mr. Meighen and Mr. Gefaell have been voiced in a few quarters. Bondholders of Great Lakes Paper Co., however, are praising Mr. Meighen enthusiastically.

The interpretation placed by investment circles on the strenuous efforts to halt the Great Lakes sale is that opponents of the deal are not content to leave it to the court alone. Persistence of efforts against the deal, however, lead to expectation of some legal battles in court.

Plea To Godfrey

Wm. R. Sweeny, ubiquitous Toronto lawyer, is understood to be the man who carried the campaign against the Great Lakes deal into the camp of the Ontario Securities Commissioner. He was not well received by bondholders when he appeared at their meetings.

Who, it might be asked, will pay Mr. Sweeny's bill for his efforts to frustrate the Great Lakes sale? He is particularly solicitous of the interests of other newsprint firms and may be in the hire of the industry's representatives.

The Financial Post has the best of authority for believing that Mr. Godfrey will avoid becoming entangled in the Great Lakes spiderweb of intrigue, politics, finance and law. He has been advised that active opposition of the deal comes, not from bondholders, but primarily from the newsprint industry; which he does not presume to regulate. If the Great Lakes sale suits bondholders and the Supreme Court, the Ontario Securities Commissioner is no more likely to intervene than in other corporation reorganizations where the interests of investors have been satisfied.

Up to Mr. Hepburn

It can hardly be considered surprising that there is open and concealed opposition to sale of assets of Great Lakes Paper Co. In this deal, the powerfully organized newsprint industry sees possible injury to itself. Bankers for newsprint firms may take the same view. Then there are the large bank loans which would be wiped out. Lastly, there is the equity—nominally $27 millions in preferred and common stock—which would be wiped off the slate. It is nearly all owned by the Backus-Brooks Co., Minneapolis. And there are other lesser axes to grind.

With Mr. Graustein virtually residing in Toronto for the Great Lakes doings, the main concern of the company's bondholders is: Will Mr. Hepburn be able to resist the eloquent pleadings and cajoling of the newsprint czar and his aide Col. Ralston?

If Mr. Hepburn gives ground, Great Lakes Paper Co. may go back into receivership. If he is a good "no" man, the company's fate will remain to be settled before the Supreme Court of Ontario.

St. Lawrence Paper Name Stenstrom as Manager

From Our Own Correspondent

MONTREAL. — St. Lawrence Paper Mills announce the appointment of D. G. Stenstrom as general manager. For the past 18 years Mr. Stenstrom has been connected with the Pacific Mills Ltd., newsprint operators on the Pacific Coast. More than half of that time was spent as resident manager of the company's mill at Ocean Falls. Early in 1933 he was appointed vice-president. Since then he has been engaged with company interests in Australia, New Zealand and Eastern Canada.

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Maritime 'Phone Plan Refund Senior Bond Issue

From Our Own Correspondent

MONTREAL. — Shareholders of Maritime Telegraph and Telephone Co. are meeting on October 29 to consider the creation of a new bond issue of $1,500,000, the proceeds from which will be used for retiring $1.5 millions of six per cent first mortgage bonds now outstanding.

Authorization will be sought for the directors to apply to the Public Utilities Board for approval and also to dispose of the proposed issue at a time and on conditions approved by the board.

The present first mortgage bond issue was put out by the company in the fall of 1911 by F. B. McCurdy and Co., of Halifax. Principal and interest are payable in Canadian funds and sterling. The issue has no sinking fund so that no retirements have been made. Under the trust deed the issue matures on July 1, 1941.

Use 1926 Trust Deed

It is now proposed to secure the new issue under the trust deed covering the general refunding mortgage bonds issued in 1926. With the first mortgage issue out of the way, the general refunding mortgage would rank senior as to a charge on the property and earnings.

Earning power of Maritime 'Phone has been well established, interest being earned on an average better than three times annually during recent years. With such a record of stable earnings it is believed that the company could bring out a new first mortgage bond issue under terms more favorable than the existing one and at the same time effect a saving in interest charges.

Investment Analyses

Canada Bud Breweries

Possible Ten Per Cent Yield Awaits Creation of More Working Capital

Canada Bud Breweries common sells not far above $6 a share. The company has shown itself able to earn 10 to 15 per cent on this valuation, which incidentally, is well below book assets. Net equity per share was $10.37 in 1934.

No dividends are currently being paid, although some further disbursement for 1935 is not improbable. The reason for suspension of payments in June is that increased business has necessitated greater investment in inventory on which taxes must be prepaid.

Liquidity Problem

Briefly, there is a working capital problem, as illustrated in these figures:

Working Capital at Dec. 31

	1934	1933
	$	$
Current assets:		
Cash	28,453	15,055
Accts. receivable	68,877	52,525
Inventories	385,574	204,664
Total	482,904	272,244
Current liabilities:		
Bank cheques	......	3,545
Bank loans	118,737	44,000
Accts. payable	131,882	84,801
Divds. payable	22,500	......
Income tax reserve	17,000	10,504
Mortgage payable	46,340	8,351
Total	336,459	151,201
Working capital	146,445	121,043

Because the 1934 statement includes that of the chief subsidiary, City Club Breweries, the figures are not strictly comparable. It is clear, however, that non-payment of dividends was necessitated chiefly because of the growth of inventories . . . . and of current liabilities.

Earnings Record

For many years the company has been a money-maker, and 1935 will be no exception. Sales and earnings have been better than in 1934. This is the record:

Per Share Earnings and Dividends

	1935	1934	1933	1932	1931
	$	$	$	$	$
Earnings	?	.68	.50	1.06	1.57
Dividends	.30	.15	.45	1.00	1.00

It is evident that higher earnings and smaller dividends this year will raise working capital. It is also noteworthy, however, that the year-end statement shows inventories—and bank loans—comparatively low. They mount in the early summer and dwindle toward the year-end.

There is the seeming paradox of better business necessitating retention of earnings in the company. This does not mean, however, that no dividends at all can be paid, nor that the day is not coming when a greater portion of profits can be disbursed to shareholders.

Capital and Market

The only securities outstanding are 150,000 common shares. So stockholders have no worries except increases of earnings and of working capital. These are being realized.

Canada Bud and City Club are both located centrally in Toronto, the heart of Ontario's biggest market. Their brands are well-regarded. The companies cannot advertise as can some of their external competitors, but nevertheless have built up substantial goodwill.

Management and Outlook

Direct management of Canada Bud Breweries is under Thomas O. Turner, who has had many years of brewing experience, particularly in Alberta and in western Ontario. The company issues interim reports to shareholders and being a Dominion incorporation must supply extensive information under the strict federal Companies Act.

Prospects for large returns on the shares must defer to improvement of working capital. At present levels, however, the shares offer the possibility of an eventual ten per cent yield.

United Corpn. Pays Dividend On A Shares

From Our Own Correspondent

MONTREAL. — Directors of United Corp. Ltd., successors to the Consolidated Investment Corp. of Canada, have declared an initial dividend of 50 cents a share on the outstanding 64,270 shares of Class A stock.

The dividend on the Class A stock has been cumulative from February 15, 1933, and this is the first payment made by the company. Interest on the corporation's bonds has been paid regularly since inception. All of the Class A stock was issued to the old bondholders of Consolidated Investment Corp.

It is understood that operations of the United Corp. during the current year have resulted to date in improvement over the position set out in the published account as at December 31 last. Last year the company showed a total revenue of $240,882 which was sufficient to take care of all senior charges, including interest on the bonded debt.

The balance sheet at the end of last December showed assets totalling $5.4 millions, of which investments amounted to $4.5 millions. These investments had a market value of over $7 millions.

Alberta's Hohey Record

"Last year," states S. O. Hillerud, provincial apiarist, "Alberta made what is probably the highest record of any state or province on the continent, in production of honey per colony. The average for the province was 157 pounds. One firm had the highest commercial average per colony for over 100 colonies, ever obtained."

AUTOMOBILE EDITOR ANSWERS QUERY ON '36 CARS

"Hello, Mr. Braund! Any information on next year's Dodge cars? What's the trend likely to be?"

H. C. BRAUND, ***Editor, Canadian Automotive Trade***—"Yes, I have been watching developments closely. 1936 looks like a style year to me. The New Dodge, for downright style and beauty, beats any car Dodge has ever built. Dodge has always had the reputation of being a dependable car and owners say it gives good gas and oil mileage. But style and beauty seem to be the keynote for 1936."

SILVERWOOD'S WILL CONSIDER PFD. DIVIDENDS

Reduction to $15,000 in Special Loan Clears Way

When will Silverwood's Dairies resume dividends on its preferred stock?

This question is raised by the statement of A. E. Silverwood, president, in the annual report. He says: "The whole question of dividends is a matter that will undoubtedly receive the serious consideration of your board of directors." He qualifies this, however, by pointing out that the company has "obligations which will have to be provided for now, or in the comparatively near future."

The announcement in the annual report that the special bank loan of $125,000 had been reduced to $15,000 at Sept. 30 and that the entire amount will be repaid by the middle of November, brings the resumption of dividends within the realm of possibility.

Loan Position

Obtained last March to enable the company to meet the balance of $257,000 owing on the purchase of the Willard plant in Toronto, this special loan was the cause of the discontinuance of preferred dividends. Bankers making the loan made the proviso that no further dividends should be paid until the loan had been retired out of earnings at the rate of $10,000 per month.

Reduction of the loan to $15,000 indicates that there has been improvement in the company's working capital position since the end of the fiscal year, March 30 last.

At that date the balance sheet showed a deficit of $37,247 in working capital account, current assets totalling $538,969 as against current liabilities of $576,216. The special loan amounted to $115,000. Other substantial obligations included; a secured bank loan of $97,657, accounts and notes payable of $191,207 and accounts payable to milk and cream patrons of $110,845.

The reserve for depreciation now stands at $2,096,349, which is in excess of 40 per cent of the total fixed assets, exclusive of land, Mr. Silverwood points out. Plants and equipment have been maintained in good condition.

The report further states, in part: "Last year we referred to the building of a new power plant in London. This was completed within the year, and has greatly increased the efficiency of our London plant. A number of other necessary additions have been made throughout our organization, making an increase in fixed assets of about $100,000, after adjustment of capital assets through the tearing down of old buildings, disposing of obsolete equipment, etc.

"We have referred each year to the question of taxation and again we would like to repeat that for some years our earnings have suffered severely because of increased taxation. In this connection we would particularly draw your attention to the six per cent sales tax on ice cream, the sugar tax, and other special taxes that are being added from time to time."

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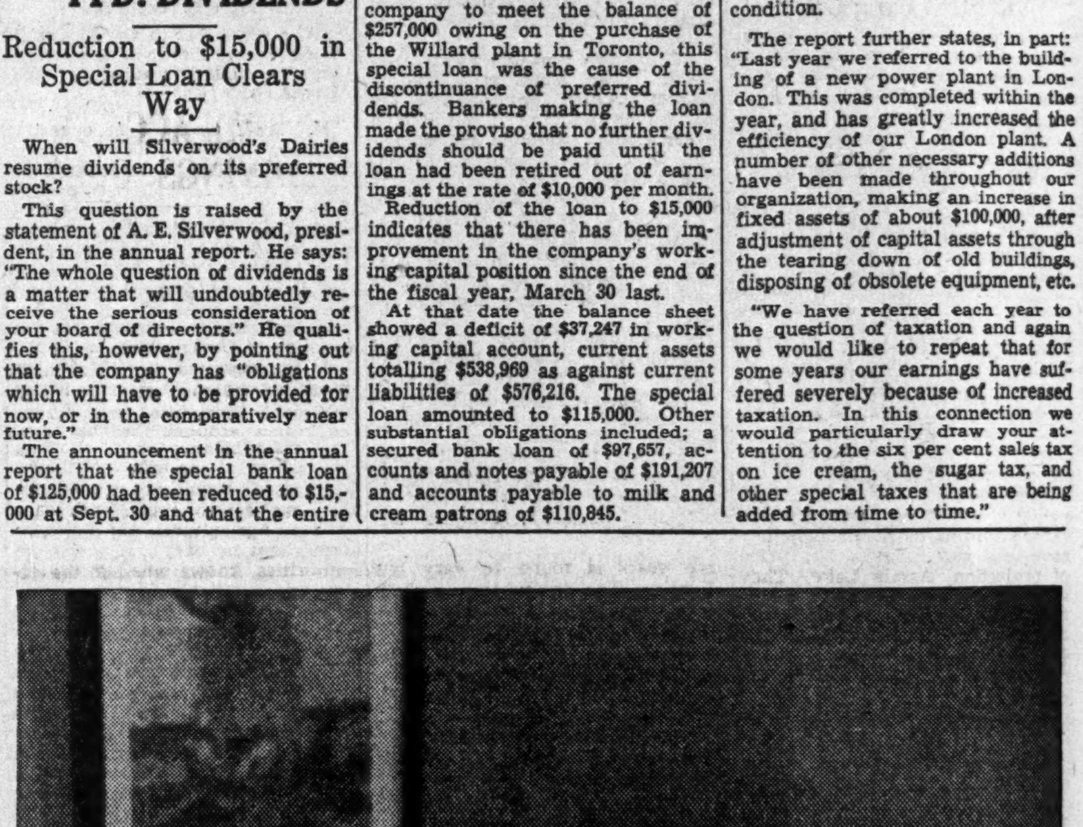

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THE BELL TELEPHONE COMPANY OF CANADA

Bank Chat

The Government's Move

THE new government's action with regard to the Bank of Canada is awaited with interest. It appears inevitable, in view of Mr. King's election promises, that eventually the bank will be nationalized. This, however, need not, and probably will not, bring about any great change in the policy or administration of the institution. It is the matter of how nationalization is to be effected that is of greatest moment.

As has been pointed out in previous issues of The Post, three methods might be utilized: Sufficient additional stock might be issued and taken over by the Government to give it control; the Government could buy out present stockholders at the issue price of $50; or it could take over the stock at a premium. The first is considered unlikely. If either of the other steps is adopted, it will evoke a storm of protest especially from those who have purchased the stock at more than $50. It is probable that opposition will come even from those who may receive just what the stock cost them. They could argue that suitable alternative investments offer a lower return. In any event the new government will probably find it extremely difficult to shift the ownership of the bank without treading rather heavily on someone's toes.

* * *

No Drastic Changes Seen

AS FAR as the chartered banks are concerned, the election result does not foreshadow any drastic changes. Some authorities, however, have taken the new premier's remarks on the subject of money and banking to indicate that he considers it necessary to cater somewhat to groups which favor monetary experiment, if only to offset social credit doctrines.

A possible change in exchange administration is evidently seen by the Whaley Eaton Service. It says "Liberals in Canada tend to look South instead of East, that is, to tie to the United States and the dollar rather than to Britain and the pound."

* * *

Canada in Ethiopia

CANADIANS, more especially Canadian bankers, may claim to have some remote interest in the Italian-Ethiopian dispute. A Canadian by birth, C. S. Collier, the son of a former bank manager of Saint John, New Brunswick, is the governor of the Bank of Ethiopia. Although his family moved to England when he was still young, Mr. Collier is well remembered by those in Saint John with whom he used to play as a boy.

Press reports have conveyed the impression that Ethiopian currency is very primitive, and that the use of salt and cartridges as media of exchange is widespread. Authorities state, however, that although the monetary system may not be the very last word, particularly in the interior, and although barter prevails in many districts, the use of articles other than metals is not nearly as common as some enterprising reporters make out.

Where salt is used, it is in bars eight inches long, the value of which varies according to the distance they have been carried from the place of production, Assale Lake. They are generally used for small change, four bars being reckoned the equivalent of one Maria Theresa dollar. Cartridges and cartridge cases have not been used much as money in recent years, mainly owing to lack of supply. But in the present state of affairs, it is conceivable that they may again become popular.

* * *

Relatively Few Critics

WHENCE has arisen criticism of the banks? A gentleman who is interested in seeing that the banks get a square deal contends that criticism is emanating from a relatively small group. Roughly, he estimates that there are four million savings accounts and 600,000 current accounts. Of these, only a few have grievances, legitimate or otherwise. It is this group, along with monetary cranks, which has been responsible for most of the unfavorable comment. But further allowance must be made. Only a relatively small proportion of these actually speak their mind in public.

* * *

Bank Staffs Snooty?

WHY then, with such a small number of agitators, has there been such a great volume of criticism? He ascribes it to two things: "Snootiness" on the part of the staff; and lack of uniformity of bank practice as between different customers.

The former cause he attributes to the knowledge which the bank staff has of the financial condition of those whom it serves. This, he claims, gives a tendency to "kowtow" too much to the more prosperous customers, and vice versa. Preaching better public relations would thus pay big dividends in at least partially solving one of the bank's most embarrassing problems.

The second factor has been apparent, he states, in even such a relatively small matter as service charges. "Why should banks not adopt a definite schedule of charges?" he asks. For instance, if chequing charges are to be made, why not state that on balances of a certain amount a definite number of cheques could be drawn monthly? At present, he is of the opinion that much resentment has been caused by what is sometimes considered arbitrary and unfair treatment of such charges.

* * *

Personalities

JACKSON DODDS, O.B.E., general manager of the Bank of Montreal and president of the Canadian Bankers Association is on an inspection visit to Western Canada.

H. P. WILSON, formerly inspector of British Columbia branches of the Royal Bank, has joined the firm of Griffith, Lee & Wilson, Ltd., Vancouver. The firm carries on a general real estate, insurance and financial business.

Staff Changes

THE following appointments have been announced by The Dominion Bank:

A. H. BLACK, formerly manager at Bloor and Dovercourt, Toronto, to be manager at Queen and Broadview, Toronto.

STANLEY BLUES, formerly manager at Queen and Broadview, Toronto, to be manager at Fairbank branch, Toronto.

R. J. NICHOLS, to be manager at Guy St. branch Montreal.

The Bank of Nova Scotia has made the following staff appointments:

R. J. SMITH to be assistant manager at Montreal.

F. D. DUNN to be assistant manager at Halifax.

Bank of Canada Weekly Statement

The largest change in the Bank of Canada's balance sheet for the week ended Oct. 16 was an increase of almost $8 millions in "All other assets," which may, or may not, be of some significance. Other major changes were a continuance of the upward trend of notes in circulation, accompanied this week by a substantial rise of more than $6 millions in deposits of the chartered banks.

Balance Sheet

	—Weeks Ending—	
	Oct. 16	Oct. 9
Liabilities	$	$
Capital paid-up ...	5,000,000	5,000,000
Notes in circ.	94,087,584	89,715,083
Dep.: Dominion ...	23,013,860	24,550,131
Banks	182,922,970	176,845,677
Other	224,534	333,463
Total deposits	206,161,364	201,729,271
All other liabs.	2,719,046	1,124,266
Total liabilities	307,967,994	297,568,620
Assets		
Reserve: Gold	182,074,116	181,681,945
Silver bullion ...	1,582,932	1,504,590
Res. in sterling ..	240,928	445,505
Res. in U. S.	3,770,822	3,717,742
Res. elsewhere ..	2,796	3,146
Total reserve	187,671,594	187,352,928
Subsidiary coin ...	312,631	309,865
Adv. to govt.	2,233,000	3,468,625
Investments:		
Dom. govt. short.	25,883,508	23,052,826
Other Dom. govt.	80,154,293	79,461,733
Total invest.	106,037,801	102,514,559
Premises	127,560	125,815
All other assets	11,585,408	3,796,828
Total assets	307,967,994	297,568,620
Reserve ratio*	63.51%	64.28%

Volume of Ban'; Credit Steady in Depression

Fall in Commercial Loans, Chiefly Due to Lower Commodity Prices, Offset by Increase in Investments — Companies Nursed by Banks

Credit being as essential to the efficient conduct of business, it is, perhaps, natural that in a depression, criticism should be directed against the banks' handling of the situation. However, if 1928 and 1929 be regarded as years in which business was adequately served by the credit policy of the Canadian banks, then but little complaint should be forthcoming from the policy followed since then.

Monetary reformers have claimed ever since the beginning of the depression that it was caused and accentuated by the improper functioning of the banking system curtailment of credit, they argued, had been and is being widely practised. Therein, they conclude, lies all Canada's troubles. During the election the theme became monotonous.

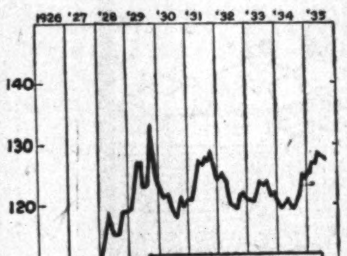
Followed Business

In actual fact, the trend of bank credit did not turn downward until after business activity had begun its decline. Moreover, statistics show that the volume of credit, and also of that part of the total known as commercial loans, has been at a relatively higher level than has the physical volume of business.

Much of the criticism of the banks' credit administration has apparently been based on the premise that commercial loans comprise the total of bank credit. However, if the true picture is to be seen, loans to government bodies and investments should be included. Investments in the past few years have mainly been in new government issues. The funds so obtained were employed by the government for relief purposes and for maintenance of public services, so that they contributed to the national income as much as did loans to private enterprise. In other words, purchases of government securities by the banks are equivalent to loaning funds to the government, which turns over the proceeds to the public just as do business men to whom advances are made.

Variation Slight

When these figures are included, the total of bank credit over the past five years is found to vary but slightly. The accompanying chart shows the fluctuations based on the year 1926 equal to 100. It will be noted that at present credit is approximately at the 1929 average.



As far as the volume of purely commercial credit is concerned, commodity prices are an important factor. Since 1929, commercial loans have fallen about 37 per cent. In the same period prices have dropped 25 per cent. Consequently, it now requires 25 per cent less money to finance industry. Thus is accounted for the major portion of the decline in advances.

Other influences have been the desire of business concerns to keep debt free in a period of waning confidence and the development of hand-to-mouth buying, obviating the necessity of financing large inventories.

Depression Hits Credit

Some requests for loan accommodation, of course, have had to be refused by the banks. But it must be kept in mind that the depression seriously affected the number of credit-worthy borrowers. Banks, as trustees for other people's funds, are responsible for the security of their deposits. Thus it has been necessary to turn down some prospective borrowers. It is quite probable that some instances have occurred where credit has been refused to really responsible borrowers. Bankers, like the rest of mankind, admit being only human. However, it is to their own interest to loan funds to what they consider legitimate risks. The return from commercial loans is several times that from security investments. Consequently, it would seem only commonsense to conclude that denial of credit to meet demands where there has been a fair indication of profit has been at a minimum.

Nursing of Industries

On the other hand, there is at least one point in connection with credit, on which even the most rabid "anti-banker," it is believed, must commend the banks. It is a well-known fact that banks, perhaps sometimes involuntarily, have carried a number of our industrial concerns through the depression. They have nursed them for the past five years. If the banks had called loans to these companies, as they had the right to, the country, it is claimed, would have passed through even greater tribulation since 1930.

WILL PUBLISH INCOME ACCOUNT SAVINGS OFFICE

Estimate Cost of Money at Three Per Cent

The first income statement of the Province of Ontario Savings Office will be presented in the budget speech at the next session of the provincial legislature, The Financial Post is informed. At that time, a separate balance sheet showing the position of the offices will also be released. Previously the balance sheet has been so tangled with loans of the Agricultural Development Board, that no one, apart from the authorities, knows whether the offices are profitable or not.

Cost is Three Per cent

Chester S. Walters, controller of finances and deputy provincial treasurer states that operations of the offices "Are going along very satisfactorily." He estimates total overhead costs at half of one per cent. In other words, the cost of the offices' money is approximately three per cent, as interest on deposits is paid at 2½ per cent. This compares with an estimated 4½ per cent, cost to the chartered banks.

A big factor in keeping overhead at a minimum is said to be very low rental outlay. In some instances branches are being rented at less than $30 a month. Where leases have expired, it is understood that new contracts have been negotiated at considerably lower cost.

Deposits Rise

Deposits of the savings offices have risen approximately $8 millions, or 35 per cent, since the expansion programme was undertaken following the bond-issue dispute between the government and the banks last June. This increase brings total deposits to almost $29 millions. It is considered largely due to the higher interest rate on deposits, as compared with the chartered bank rate.

Officials state that a cash reserve is being built up. It is expected that this fund will eventually amount to 50 per cent of deposits. The number of branches now operated by the government totals 20.

Canadian Banks Close Branches

As at the end of September, there were 3,635 branches of Canadian chartered banks, a decrease of two from the previous month. During the month one branch was opened, a sub branch of the Bank of Montreal at Premier, B.C. On the other hand, reflecting the close of the holiday season, three branches were closed. These were located at popular resorts, the Bank of Montreal closing its offices at Banff and Chateau Lake Louise, and the Dominion Bank its branch at Centre Island, Toronto.

Distribution of branches is now as follows: In Canada, 3,486; in Newfoundland, 25; and elsewhere, 124.

COTTON FABRICS AND YARNS

Basic raw materials for many Canadian industries

DOMINION TEXTILE COMPANY LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

LITTLE FLIGHT FOREIGN FUNDS OUT OF CANADA

Report Increase of American Deposits in Past 18 Months

It is to the credit of the Canadian banking system that foreign depositors have felt their money quite secure despite radical political developments this year. Although the McGeer scare in British Columbia, the Hepburn contract cancellation in Ontario, the Aberhart election in Alberta and finally the Bennett bond conversion proposal, have all been reflected in some degree in the security markets, bank executives report that there has been but little withdrawal of funds by depositors resident abroad.

Alberta Affected

It is reported, however, that one movement has resulted recently from political happenings: Radical monetary doctrines of the Albertan social crediters have caused an outflow of deposits from that province to other provinces in the Dominion and, to some extent, to England. As yet no movement to the United States has developed.

Back in 1933, about the time of the banking panic in the United States, a considerable volume of American funds was transferred to Canadian institutions. Statements have been current that this movement has been reversed of late, and that Americans, although still none too sure of the political outlook in their own country, felt that the situation in Canada was even less favorable. Bankers state that the odd individual withdrawal of funds may have taken place, but the movement has by no means been general.

Inflow of Deposits

On the contrary, one bank which has compiled statistics on the trend of United States' deposits over the past 18 months reports that during that time there has been an increase of about 30 per cent. Opinion is that this movement is in order to meet ordinary business requirements, or that the funds have been attracted by higher interest rates or exchange fluctuations. The Financial Post is advised of one proposal made to a Canadian bank by a large American industrial concern, which would have deposited several millions for a period of six months and at an interest rate of a fraction of one per cent. The offer was refused by the bank on the grounds that it could see no profit in the transaction.

Can. Bank of Commerce Pays Regular Dividend

Declaration of the regular dividend by the Canadian Bank of Commerce adds strength to the belief that Canadian banks will not cut dividend rates this year. This makes the fourth chartered bank in recent weeks to pay at the regular rate. The Commerce payment will be made on Dec. 2, to shareholders of record Oct. 31. The bank's fiscal year ends Nov. 30.

Weekly Bank Clearings

	Oct. 17 1935 $	Change year ago %	Oct. 10 1935 $
Halifax	2,227,548	—9.3	2,468,039
Saint John ..	1,525,028	—26.5	1,625,855
Moncton	721,458	—7.1	700,149
Sherbrooke .	556,038	+7.2	689,612
Quebec	4,005,650	—6.8	4,250,642
Montreal	88,916,081	—16.7	83,067,621
Ottawa	33,065,969	+517.1	23,867,515
Kingston	519,976	—8.3	595,486
Peterborough	654,037	+2.1	628,758
Toronto	102,875,764	—23.1	102,862,399
Hamilton ...	3,875,711	—27.6	4,178,201
Kitchener ...	1,075,845	+3.5	1,094,404
Brantford ...	851,345	—0.8	928,321
London	2,543,314	—31.6	2,455,984
Chatham	380,968	—8.2	392,300
Windsor	2,177,403	+2.4	1,934,795
Sarnia	412,423	—5.5	449,525
Sudbury	850,522	+7.3	797,309
Fort William	603,792	—27.7	669,327
Winnipeg ..	66,407,690	+3.4	83,787,848
Brandon	322,544	—10.9	350,749
Regina	7,276,862	+28.8	8,206,946
Moose Jaw .	839,530	+25.9	755,683
Saskatoon ..	2,217,135	+21.8	2,267,649
Prince Albert	399,252	+5.1	420,034
Edmonton ..	4,030,096	—3.3	3,923,808
Calgary	9,707,624	+30.1	7,225,226
Medicine Hat	381,092	+28.6	450,558
Lethbridge ..	597,334	+9.9	594,872
N. W'minster	586,036	+24.0	597,838
Vancouver ..	14,859,244	—14.1	15,778,374
Victoria	1,498,605	—10.1	....

Canadian Bank Stocks Held by 50,000 Persons

Speaking before the Advertising Club of Montreal last week, J. Muir, general inspector of the Royal Bank of Canada, dealt with the relationship of the bank to the community.

"Who really owns the banks?" he asked. "Some people would have you believe that they are the instruments of a privileged few, whereas the truth of the matter is that the 1,445,000 shares of the banks are owned by nearly 50,000 different parties. The average holding of each is less than 30 shares, and a large proportion of the owners are women and estates, the beneficiaries of which are children. The shareholders, like those of any other corporation, elect the directors to act in their behalf in matters pertaining to the operation of their particular bank. The directors own personally not more than a fraction of the total shares outstanding, and this will show how absurd it is that anyone should say the control of the banks is vested in the hands of a few. It is needless to add that directors are retained only so long as they enjoy the confidence of the shareholders whom they represent.

Need for Caution

"I sometimes wonder whether the public as a whole realize the extent to which the banks hold themselves strictly accountable for the safety of the people's funds. Banks operate nearly 5,000,000 deposit accounts in Canada. Surely, when so much confidence has been shown, it is absolutely essential and obligatory that the banks should be keenly aware of their duties to these millions of people. All of which means that banks must be kept at all times in condition to meet, at a moment's notice, a depositor's request for his money. What does that imply? That a bank must keep on hand in actual cash a substantial portion of its depositors' funds, must invest a further portion in quickly saleable prime investments, such as government bonds, and loans payable on call against stock exchange collateral. A bank simply cannot lend all its depositors' money and it must avoid as far as humanly possible lending funds where they will become frozen and slow of collection."

Foreign Exchange Markets

There was little change in the exchange situation during the past week.

Basic factors remain unchanged. Experts seem generally agreed that stabilization is absolutely impracticable while war and war threats disturb the international outlook. These also carry with them a possible danger of further inflation by some countries in order to meet armament expenditures.

Two banks have announced reduction of their discount rates: The Bank of the Netherlands from five to four and one-half per cent; and the Bank of Danzig from six to five per cent.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 15	Oct. 16	Oct. 17	Oct. 18	Oct. 19	Oct. 21
U. S. dollar, High	.5906	1.01½	1.01 11/16	1.01½	1.01⅝	1.01 11/16	1.01½
Low	.5906	1.01¼	1.01 11/16	1.01 1/16	1.07 1/16	1.01 1/16	1.01 1/16
1934, High	.5906	.97 1/16	.97 1/16	.97 1/16	.97 1/16	.97 1/16	.97 1/16
Low	.5906	.97 1/32	.97 1/32	.97 1/32	.97 1/32	.96 31/32	.96 31/32
U. K. pound	4.8665	4.98	4.98	4.99¼	4.98¼	4.99½	4.98½
Argentina	.4246	.2768	.2783	.2766	.2785	.2781	.....
Australia	4.8665	3.9770	3.9824	3.9881	3.9787	3.9849	3.9830
Austria	.1407	.1915¾	.1917	.1912½	.1916½	.1912	.1913
Belgium	.1392	.1709¼	.1709¼	.1707¾	.1710¼	.1707¾	.1707¾
Brazil	.1963	.0583¼	.0586¾	.0578¼	.0584	.0578	.0583¼
Czechoslovakia	.0296	.0421	.0420¾	.0420½	.0421	.0420½	.0420½
Denmark	.2680	.2223½	.2228½	.2231	.2224½	.2228¼	.2226½
France	.0392	.0669	.0669	.0669	.0669¾	.0668½	.0668¾
Germany	.2382	.4084	.4085½	.4084	.4090	.4081¾	.4081¾
Greece	.013	.0095¾	.0095½	.0095½	.0096	.0095½	.0095½
Holland	.4020	.6877½	.6878¾	.6877½	.6895¼	.6879½	.6885½
Hungary	.1749	.3018½	.3015½	.3013½	.3018¼	.3012¼	.3012½
India	.3650	.3789¾	.3717	.3801	.3806¾	.3797¾	.3795¾
Italy	.0526	.0826	.0827¼	.0826½	.0827	.0824½	.0824½
Japan	.4985	.2912	.2919	.2917	.2922¾	.2916	.2916¼
Jugoslavia	.1929	.0232¾	.0232¼	.0232	.0232½	.0232	.0232
New Zealand	4.8665	4.0170	4.0225	4.0283	4.0188	4.0251	4.0232
Norway	.2680	.2502¾	.2506¾	.2510¼	.2505	.2507½	.2505½
Poland	.1122	.1916	.1918	.1916	.1919	.1916	.1917
South Africa	4.8666	4.9562	4.9630	4.9700	4.9584	4.9662	4.9637
Spain	.1929	.1387	.1388	.1386½	.1388	.1385½	.1386
Sweden	.2680	.2569	.2574	.2577½	.2570	.2572½	.2571
Switzerland	.1930	.3306	.3306	.3303¾	.3309½	.3303¾	.3302¾
Hong Kong	.5422	.5073½	.5076½	.5032¾	.5025¼	.5036	.5026¼

New Books

GOVERNMENT IN BUSINESS. By Stuart Chase. Published by the Macmillan Company of Canada, Limited. Price $2.50.

Mr. Chase is a major American prophet of Utopia. Having exposed the devils of the Machine Age and blown up to a large size the weaknesses of Capitalism, he has, in recent years, been busy forecasting the kind of economy the world ought, in his opinion, to have in the future. Not that Mr. Chase thinks on a world scale. He always talks about the United States and he seldom bothers to outline principles but jumps immediately into their application.

In 1932 he published a book called "A new Deal." It has already been pointed out by American reviewers that that volume contained an amazingly accurate outline of what was actually to happen in 1933 to 1935 under President Roosevelt. Now the same reviewers are wondering if Mr. Chase in his new book has not laid bare what is in the minds of Roosevelt and his brain trusters and what they are likely to do to business in the next four years if the president is re-elected.

Mr. Chase divides business into three categories. The first category includes those industries that are necessary for community survival. He lists what they are. All of these he thinks must come under public ownership or control. The second list is the twilight zone of underlying services dependent upon the first. Here, too, public control should be dominant. His third list is of luxury industries where a field remains for private ownership. Mr. Chase goes so far as to specifically name the corporations which in his opinion ought to be brought under public ownership, and those which might remain under private ownership. There is finally an argument for planning under the state.

The value of this book, like that of the similar "Social Planning for Canada," recently reviewed, is that it indicates definitely the programme the Socialists have in mind for the North American continent if and when they are in a position to put it into force. And if Mr. Roosevelt is re-elected there is no doubt that most of what Mr. Chase outlines in this book will be attempted in the United States.

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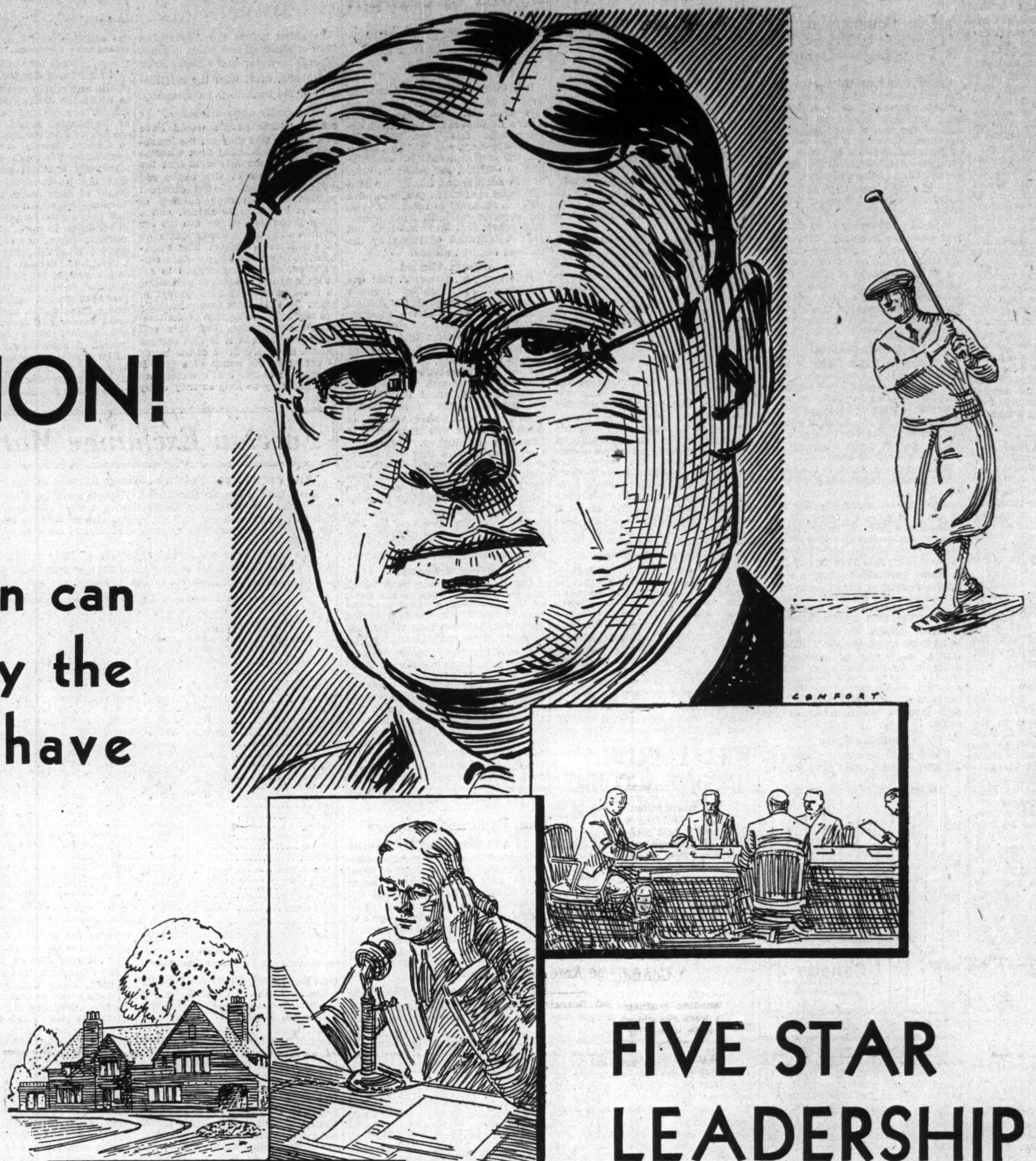

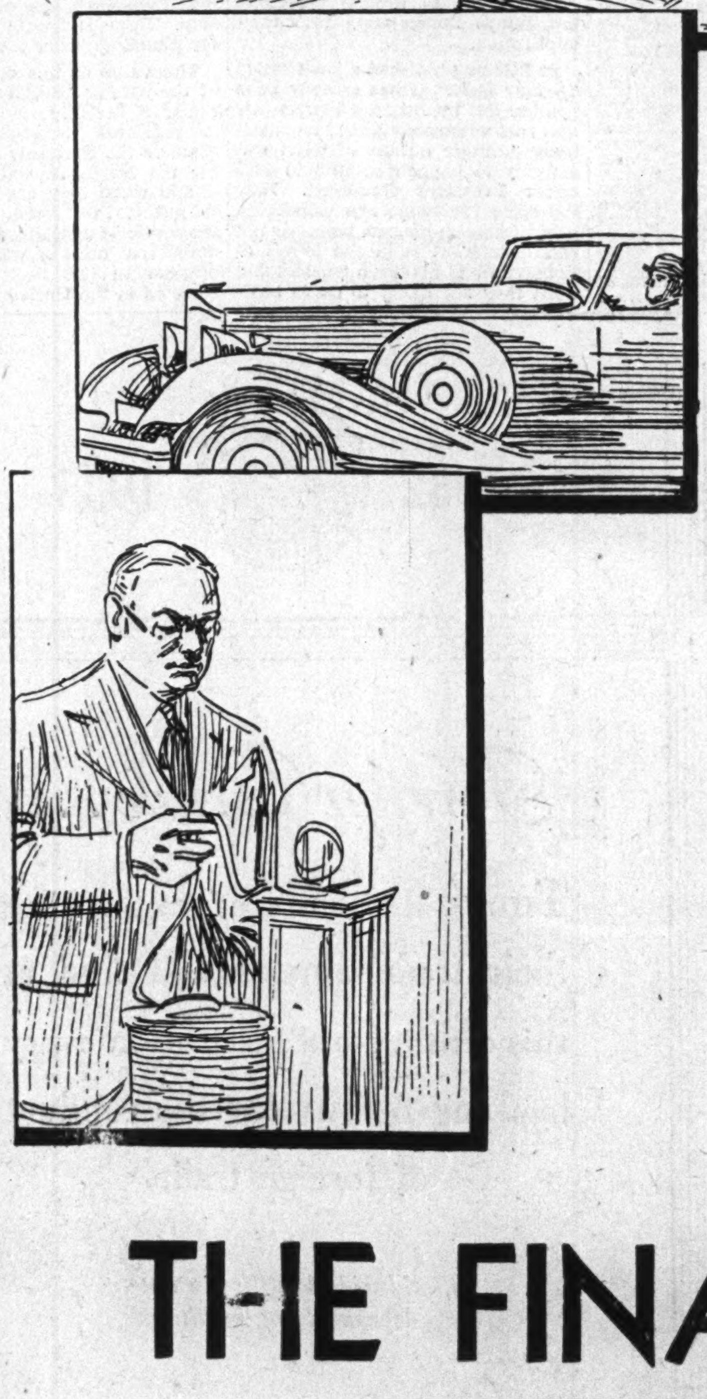

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Relief: What Is It?

Great Internal Problem is Challenging Government and Benevolent Institutions—A Million Being Aided

This Problem of Relief

The Financial Post presents in this issue the first of a series of articles on the unemployment and relief problem. The intention is to give a survey of the situation as it affects Canada.

Questions relating to the subject are manifold:

How much is being spent on relief?

How is the money being raised?

How many are receiving relief?

How are governments and private organizations seeking to solve the difficulties arising from this abnormal trend of events?

How does unemployment affect the average man?

Of what importance is the back-to-the-land movement?

These are questions taken at random from the whole field of unemployment and relief. The subject is a wide one. Considerable study has been undertaken in order that a true picture of the situation will be presented.

By MELBURN E. TURNER

What does the average man know about the unemployment and relief situations in Canada?

He cannot know the true picture unless he looks at it squarely with all the facts marshalled in front of him.

Unemployment is a national problem. In its effects and costs it involves practically every person living in the state.

Not a Homogeneous Problem

We must realize, however, that unemployment is not a homogeneous problem. We do speak of it in the aggregate by referring to the fact that so many people are out of work. But the true picture may well be like a sub-divided provincial map, all the counties of which go to make up the whole area. Each county stands for a type of unemployment.

Types of Unemployment

Types of unemployment may be graded according to the plan set down by the McGill University Research Department which categorizes them as follows:

(a) Those persons who are normally steadily employed, whose loss of work is due primarily to industrial causes and who suffer unemployment only in times of business depression.

(b) Intermediate groups, whose employment is irregular for many reasons, even in "normal times."

(c) The lower ranks of the labor market, where casual workers, the chronically unemployed, and those physically or morally incapable of regular work, are found.

What then, are the facts about unemployment and relief as they affect Canada?

To get the facts is to provide a basis upon which to alleviate the present problems besetting them and in future, to build up a resistance to them when they threaten to recur. Briefly the facts may be summarized as follows:

A Million Unemployed

1. A rough estimate of the number of persons now receiving assistance from the state places this figure at about a million. This assistance is in two forms; direct relief which is payment in cash or kind, and public works, or payment of relief in wages for hours of labor and energy spent.

The numbers on direct relief in the Dominion in January, March and June this year were as follows:

Number on Direct Relief in Canada, 1935
Exclusive of Dried-Out Areas of West
(000's omitted)

	Jan.	Mar.	June
Family heads	240	253	216
Dependents	783	868	758
Indiv. cases	43	51	43
Totals	1,066	1,172	1,017
In Dried-Out Areas of West			
Family heads	34	34	30
Dependents	138	139	123
Indiv. cases	5	5	5
Totals	177	178	158
Grand totals	1,243	1,350	1,175

Unemployment reached its peak in February, 1934, when the total number assisted by all classes of relief exceeded 1.6 millions. The number on relief has decreased since February this year because of a seasonal increase in employment. It is expected, however, to rise again as winter draws on, when relief works are cut down and persons who shift for themselves in summer, must of necessity again seek state assistance.

But one million does not adequately reveal the total number of persons in Canada receiving help. Thousands are assisted financially and otherwise by benevolent organizations and through semi-relief public works, the number of which it is impossible to estimate.

Therefore, it is likewise impossible to estimate the true extent of unemployment. Suffice it to say that the number being assisted is about one tenth of the total population of the Dominion.

Many Affected

One of the cruelties of unemployment is so apparent that it is often unrecognized. When, we speak of relief, we think in general terms. We say a family is on relief when we are thinking of the head of the family's position. We often do not realize that when a father is unemployed, his savings gone, his family must share his plight. The number of dependents, naturally, far exceeds the number of heads of families. For instance, in February, 1935, there were 259,918 family supporters receiving direct relief, compared with 918,317 who were dependent on them.

2. The cost of unemployment relief is rising and there is no appreciable indication that the numbers of the unemployed are decreasing concurrently. March proved the peak month for the number of direct relief cases in 1935, and although this figure has gone down since then, time alone will tell whether it was seasonal or not.

$10 Millions a Month

Canadian Government bodies are spending $12 millions a month on relief this year. Last year they spent $10 millions a month. A large part of relief expenditures are being capitalized, and therefore the burden will be felt heavily long after the unemployment problem settles down to a pre-depression level.

The Dominion, in place of contributing to direct relief expenditures on a percentage basis as prior to July 31, 1934, is now paying monthly grants-in-aid to each province, on the understanding that all moneys received by virtue of this arrangement shall be used solely for relief purposes.

Two Forms of Relief

3. Relief is provided by the Government in two forms; direct relief, and works programmes. The former consists of payments in cash or kind and the latter of payments in wages for work done and hours spent on public jobs created for the sole purpose of relieving unemployment.

Almost all of those accepting the dole or direct relief, are dissatisfied with their lots. They would rather have work to do and receive wages for it. This feeling is evident from the number of social disorders which occur, and the pro-Socialist and pro-Communist activities of the winter months. It is evident also in the attitudes taken at meetings of unemployed associations.

Benevolent Organizations

4. Government bodies cannot take adequate care of all cases where need is apparent. Government relief allowances cover subsistence maintenance only for food, shelter, clothing and fuel. There are thousands of cases where these are not enough. Many families every year are made more comfortable because of the activities of private benevolent organizations. Not only do these organizations often make home life more bearable and keep up the morale, but they act in cases where urgency is necessary, where otherwise serious consequences would result were they not present to help out.

The Canadian Welfare Council, Community Chests and hundreds of other similar organizations are carrying on this work through private donations and public contributions. Unfortunately, however, these organizations are limited in financial resources, and are unable to raise anything near the amount at the disposal of the various Canadian governmental bodies.

With these facts in mind, we are ready to get closer to the picture.

Public Works

Relief works, outside of federal undertakings, such as the Trans-Canada highway, and the provincial programmes of road building and repairing and back-to-the-land movements, are mainly carried out by the municipalities aided by provincial and Dominion contributions. The erection of Dominion public buildings in the various towns and cities is part of the programme to which the various governments have given their approval. Citizens of municipalities are thereby given temporary employment. The expense of relief is, however, only transferred from the direct relief department to that of public relief works. There is a distinct effect, however, on the morale of the workers employed. They feel better for having work to do and regard their positions in life as psychologically, if not materially, improved.

Demoralizing Influences

Prolonged idleness and subsistence on charity are demoralizing. Families have broken up because of lack of work for the supporter. The very word "dole" often strains a recipient of this form of assistance to mental breaking point. It has caused suicides. If a man is working, whether it be permanent or partial occupation, he at least is kept from contemplating on "getting away from it all." There is also less strain on his dependents. Public works programmes are distinctly beneficial for this reason alone. Although the problem seems minor when put in black and white, social service workers agree that it is one of the major difficulties with which they have to deal.

Besides the effect on morale, municipal works programmes have other points to their credit. They have provided considerable employment, short term though it has been in some cases. Married men who have often been in desperate need, have found in these works the chance to become connected again with active employment. Although the average earnings per man have been small, they were more than acceptable by families which had almost reached the point of applying for relief.

For others, the extra income gave ready cash for payment of rent, and other current bills, although they were obliged to accept food and fuel directly from the municipality.

Improvements Created

The second good effect of public works projects is that they are responsible for some desirable public improvements. No government will sanction a building project just to create employment, if after the work has been done, the concrete result is to be left as prey to the elements. Therefore, every construction job has been directly of double use; the creation of a certain amount of re-employment, and the construction of an improvement in either municipal or provincial conditions. Indirectly public works start a certain amount of money moving, which exerts its beneficial influence on business.

Our picture would be incomplete, however, if we cover one side, while we look at the other.

Objections to Works

We have seen the benefits of public works. What about the objections to them? Dr. H. M. Cassidy, who made a survey and report on the problem in Ontario, has outlined the arguments against public works. These form the basis for the following discussion:

First and foremost is the fact that they have been insufficient in providing nearly enough jobs for all the unemployed. It has been pointed out that they do not even provide work for jobless married men, who are regarded as first claimants to wages from relief projects.

Secondly, they have as a general rule provided only one class of work—pick and shovel labor, although of late attempts have been made, which were partly successful, in securing work for skilled artisans on public construction jobs. It has been said that public works relegate men to sewer and highway jobs, where they are herded together like convicts.

Many of these men were declared unfit for such kind of work. But the Government works cannot be chosen for their suitability for the workmen—they must be selected because of their proximity to necessity. Care for the ultimate health of the worker, however, should be a major consideration. Otherwise the end in view would be obscured by the means taken to achieve it.

Dubious Values

Thirdly, how many relief projects are of dubious value to the community? Post offices, sidewalks, tunnels, armories, and highways have been constructed on a reckless scale. Canada's municipalities cannot, collectively, stand unwarranted expense. But nevertheless, hovering over all, is the spectre of want and destitution, ready to nose in where society fails to provide keep. Man, a human being, deep down, cannot bear to see another man die of want for the essentials of human existence. This is one reason our municipal, provincial and federal debts are mounting.

Fourthly. The expense of relief work has eclipsed expectations. Generally about two dollars was spent for every dollar paid in wages during the first two years of the depression. But, as the unemployment research committee of Ontario, points out, no objection would be raised to this, if the community were getting two dollars worth of work on necessary enterprises.

Economical Angle

It has been revealed that in some instances it would have been more economical to have distributed the amount paid out in relief wages as direct relief. Then, there is the fact that applicants for relief employment are more numerous, usually, than applicants for direct relief, so that under a works programme, provision must be made for assistance in a greater number of cases.

Direct relief is seen, therefore, to be cheaper in the short run, and under certain conditions probably in the long run.

Fifthly. Uniformity of treatment of workers has been lacking. Municipalities have been in charge of the major part of public relief enterprise. As a result certain problems have arisen, including selection of workmen, wages to be paid, length of employment and conditions under which the men are to work.

Raising the Funds

Sixthly. In municipalities where the burden of relief is heaviest, it has been found difficult to raise money for direct relief, let alone public works projects. Municipalities generally are capitalizing their relief expenditures, because they are finding it impossible to take the funds from current accounts because the money isn't there.

Seventhly. There is a continuing expense where public works are constructed, over and above the original outlay. This expense is reflected often in taxation, which is increased, maintenance of the works, and in other channels.

The argument against relief works, therefore, seems to outweigh that in favor of them. At any rate, whether public works are continued as a means of providing relief to those in need, or not, there will come a time when the municipalities will be unable to proceed further with them and will have to depend more and more on federal and provincial assistance, unless the trend of business activity takes a decided turn for the better in the not-very-far-distant future.

What's Being Done for Them?

Canada's governmental bodies and benevolent institutions are striving to alleviate the want that has come hand in hand with unemployment. Twelve millions of dollars are being spent monthly by the state alone toward relief. Unemployment, however, continues to exist and about a million persons are accepting assistance.

Pictures like the above are to be found often throughout the Dominion, where families are compelled to live in houses, the dingy and dilapidated interiors of which are far from conducive to health and happiness. These are the homes whose occupants welfare visitors attempt to reach.

Mr. Dunning

Back in Public Life, He Arouses Confidence Among Business Leaders

Canadian business and financial men were stimulated to new hopes this week when Hon. Chas. A. Dunning jettisoned his comfortable berth in business to assume the public responsibilities and the personal worries of a cabinet post.

That Mr. Dunning will insist upon some effort to solve Canada's major national problems is to be taken for granted. He would not have accepted the post of minister of finance without assurances of as free a hand as any finance minister short of a dictator can have.

His Previous Record

Successively Mr. Dunning has been:

An immigrant youth from Britain homesteading in Saskatchewan.

A leader among grain-growers, finally becoming organizer and general manager of the powerful Saskatchewan Co-operative Elevator Company.

War-time director of food production for Canada.

Provincial treasurer and then premier of Saskatchewan.

Minister of railways and later minister of finance in the last King administration.

Retired from Politics

In 1930 he was defeated in Regina and the Government also was defeated. He foreswore politics and went back into business. He ran the Seignory Club for the C.P.R. He reorganized the Consolidated Paper Corporation. He became president of the Ontario Equitable Life. He took over the presidency of the Maple Leaf Milling Company to re-establish its financial position and went on the board of Barclays Bank.

All of his present pleasant and profitable business connections Mr. Dunning casts aside at the call of country.

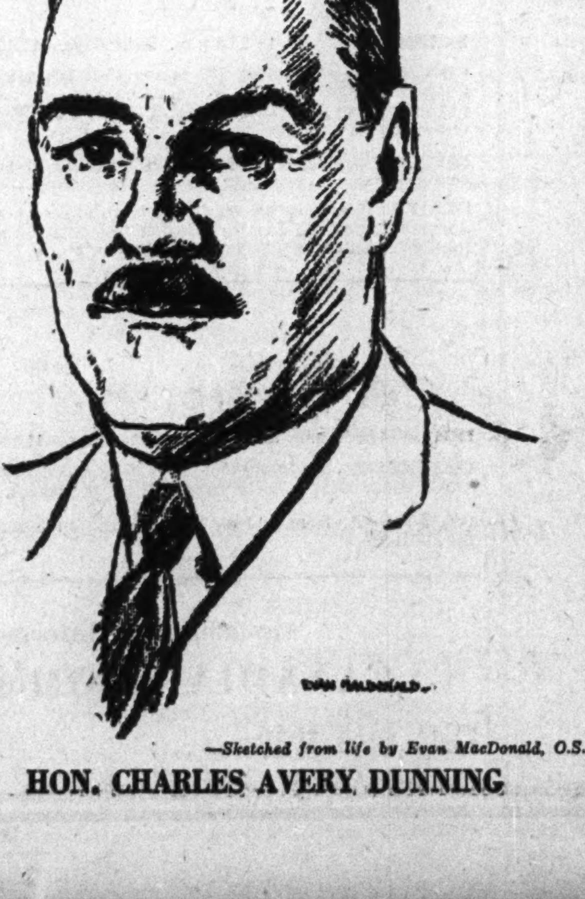
May Be Prime Minister

It is easy to see Mr. Dunning as an early prime minister of Canada. The logical successor of Mr. King as leader of the Liberal party, he may become Canada's prime minister by an even more direct short-cut if recovery fails to come quickly. For there are some who foresee trouble in solving Canada's problems, who expect more acute financial difficulties to bring on a nation-wide demand for a "national" government, to achieve which would call for the withdrawal of both Mr. Bennett and Mr. King from leadership. Then it is felt Mr. Dunning would be the logical man to lead a non-party cabinet.

All this is in the vague, indefinite future and is at best but a possibility. At this moment the important thing is that Mr. King's cabinet has been immeasurably strengthened by Mr. Dunning's willingness to return to politics. Mr. Dunning will be but one member of a cabinet, but his influence will undoubtedly be exerted for sound finance and efficient administration.

Rare Combination

Mr. Dunning has often remarked that to be a successful minister of finance it is essential that a man be both a good politician and a good business man. This rare combination of qualities is happily found in Mr. Dunning himself. He is equally at home talking to the farm wife in her kitchen, addressing a small-town political meeting, managing a business or mixing with the nabobs of finance.



—Sketched from life by Evan MacDonald, O.S.A.

HON. CHARLES AVERY DUNNING

Versatile Cleric

Canterbury's Dean Graduated as Engineer Before Entering Realms of Religion and Social Credit

The Very Rev. Hewlett Johnson, Dean of Canterbury, who has just finished a tour of Canada, is widely known as a prominent cleric and also as a preacher of social credit doctrines. Few realize, however, that his career started in manufacturing and engineering; and that he is an adventurer at heart.

Forty years ago Dean Johnson distinguished himself at Manchester University by taking a geology prize, writing a thesis on hydraulic engineering, and graduating with an engineer's degree. He entered the family firm of Johnson Brothers, Manchester, who, for over a century, have been manufacturing the wire mesh screening used in paper making.

The Dean's tour of Canada as an apostle of social credit was not his first visit. He helped establish a branch in Montreal for Johnson Brothers before taking holy orders.

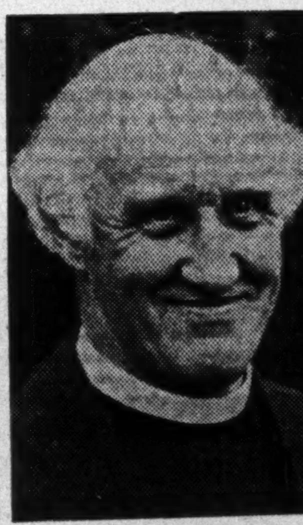
The dean gave up his industrial career to yield to an impulse of youth; the conversion of Africa to Christianity. He entered Oxford and graduated as a theologian. After ordination, his ideas were too liberal for missionary authorities, so he stayed in England and about four years ago became dean of Canterbury.

It was only after his elevation to this position that he went to the far corners of the earth; and it was not Africa, it was China and Tibet. At 57, he travelled into inner Mongolia with an American engineer. They decided to investigate Tibet. The dean purposely avoided seeking permission of British authorities because he presumed they would refuse. He penetrated far into forbidden Tibet, "the roof of the world."

Far-sighted

The dean carried a supply of morphia in his pocket as a safeguard against the pains of torture in case he was captured by inimical orientals. "They toast your feet, you know," the dean commented to The Financial Post. That his fears were not altogether unfounded was proved by the capture and near death of native members of his party when homeward bound from the Tibetan fastnesses.

It seems that social credit has a peculiar appeal for men like Major C. H. Douglas, the Dean of Canterbury and others who have been trained in engineering. They seem to believe the economic reactions of the earth's millions capable of scientific regulation by a monetary science something akin to hydraulics. Still, Einstein says Newton was wrong.



REV. HEWLETT JOHNSON

Saskatchewan's Irrigation Plan

A start is to be made immediately on two irrigation projects in Saskatchewan involving an expenditure of $198,000. These projects come under the federal Rehabilitation Act and are being carried out with provincial co-operation.

Central Bank's Infancy

Bank of Canada Passes Teething Stage and Establishes Machine and Personnel to Bite Into Meaty Problems

Central Bank at Crossroads

A "nationalized central bank."

This was a plank, a not unimportant plank, in the platform of the Liberal party in recent elections.

What is "nationalization" likely to mean for the Bank of Canada? What form will it take? How are Mr. King's proposals likely to change the new institution? And how will they affect the shareholder, the business man or the man in the street?

This is the first of three articles which attempt to answer these questions. This article is devoted to a consideration of the fundamental matters: What is a central bank? What do we expect from such an institution? What has the Bank of Canada been doing to justify its existence?

By A. F. W. PLUMPTRE
Lecturer in Money, Credit and Prices, Toronto University

There are certain things that a central bank is not.

It is not an ordinary commercial bank. Unlike our chartered banks, it does not deal with the general public. It does not offer interest upon deposits. Thus it does not compete in the more important spheres of commercial banking. If the paths of profit and public interest diverge, a central bank must take the latter; while a commercial bank, if it is to survive, must take the former.

Control

A central bank is often called a "bankers' bank." But this term is partially misleading. It is true that the greater part of a central bank's business is done with other financial institutions. It is not true, in the majority of cases, that a central bank is run by, or in the interests of, those who are engaged in banking.

The provisions of the Bank of Canada Act are meticulous in ensuring that nobody with a financial interest in the chartered banks shall have any office or authority in the central bank. Both in Canada and elsewhere the majority of commercial bankers have been vigorous in their hostility to the establishment of a central institution.

So much for what a central bank is not, or should not be. What, now, are its positive functions?

These may be regarded as five in number. Two are exercised in regard to other financial institutions, two in regard to the Government, and the last covers both these and the general public as well.

1. Clearing House and Holder of Commercial Bank Reserves. Every day each of the ten chartered banks present to the others, in the thirty-two clearing centres throughout the Dominion, all the cheques and bank notes which have been deposited with it and are liabilities of the other banks. Some banks are "up" and others are "down" on each day's transactions. In order to meet the possibility of being down, every bank keeps a reserve on deposit at the Bank of Canada. Each day's clearings for the whole of Canada are settled in the Bank of Canada by deducting a certain amount from the reserve deposits of the banks which are down, and adding it to the deposits of those that are up.

2. Emergency Lender. A central bank is usually the chief if not the sole ultimate source of "legal tender" money in a country: (that is, money such as Bank of Canada notes which may legally be tendered by debtors and must be accepted by creditors in discharge of debts).

Other institutions obtain money by undertaking certain services or by borrowing. Only a central bank can **create** money which **must** be accepted. And herein lie two great sources of power. One of these—the control of money—we discuss later.

The other is the power of being at all times able to make such loans as it considers desirable. In general this power is used to supply a small but variable and highly important margin of loans to the financial institutions among which it works.

From the point of view of these institutions the possibility of getting loans from the central bank is most valuable; for it means that they can rest assured of being able to tide over, at a price, stringencies which might otherwise have proved embarrassing.

In short, a central bank provides emergency elasticity to a country's currency.

3. Government Banker. A good central bank does more than mechanically accept the deposits, meet the cheques, and accede to the demands for loans which are made by its government. It is the government's banker: that is to say the government's financial adviser. It recommends, as well as carries out, policies of refunding and issue of securities. It "manages the national debt."

4. International Financial Representative. A central bank usually supplies a country with expert representatives for international financial conferences. The Bank for International Settlements has, since 1930, supplied machinery for regular meetings of central bankers.

5. Control of Currency, Credit and the Foreign Exchange Rate. A great deal of the pressure which has since the war been exerted in favor of the establishment of central banks in Canada and elsewhere has arisen from the desire to invest the control of these important matters in the hands of those who, while experts, are not swayed by the hope of profit or by sectional interest. It is hoped, if not confidently believed, that such control may mitigate unhealthy booms and depressions and promote more stable prosperity.

Currency-Credit-Exchange

From the point of view of the average Canadian it is in its exercise of this last function, in its attempt to control currency, credit and foreign exchange, that the Bank of Canada assumes importance. We may therefore pursue this line a little farther by enquiring into the means of control which are available. These are usually considered to be four in number.

"Bank rate" is the rate of interest at which the central bank will lend money. This is one, although perhaps a small one, among a number of factors influencing the lending policy of the commercial banks. The higher the rate at which, in emergency, they might have to borrow at the central bank, the greater the caution which they are likely to exercise in loaning and investing.

"Open market policy" is another means of control. This is simply the policy pursued by the central bank in buying and selling securities on the open security market. These operations affect currency and credit conditions directly. When a central bank buys securities from another institution, the latter has two choices and only two: It may either accept payment in cash, i.e. central bank notes and thereby increase the amount of currency issued; or else it can leave the money on deposit in the central bank, where, as a deposit, it will swell the reserves which the commercial banks keep there.

Such an increase in their reserve deposits is likely to impel commercial banks to be more liberal in their extension of credit, in the form of loans or investments.

Influence on Other Banks

Through its bank rate and open market policies a central bank can, as we have seen, exert some influence over the credit policies of the commercial banks.

The extent of this influence will vary greatly from time to time. So, too, will vary the effectiveness of this regulation upon business conditions.

It is evident that business conditions depend upon many factors besides central or commercial bank credit. The objective of currency and credit policy must be to offset, as far as possible, other changes of an undesirable nature.

Another and at times an exceedingly important instrument of central bank control is its operation in the foreign exchange market. By buying or selling foreign currencies the Bank of Canada may affect their prices in terms of Canadian dollars.

Upon the price of British pounds depends, in part, the return which a Canadian farmer gets for wheat sold in Liverpool. Upon the price of American dollars depends, in part, the burden of Canadian debts, public, municipal and private, payable in New York.

The whole of the Canadian economic system is closely associated with international transactions and thus with the foreign exchange rate. Over this rate the Bank of Canada can exercise a measure of influence.

Persuasion

Fourth among its instruments of control the Bank of Canada can use its persuasive powers. As banker to the Dominion Government, and as the holder of the reserve balances of the chartered banks, it is in a strong position to keep in touch with the trend of affairs in Canada; and through its associations with central banks elsewhere it has access to most valuable sources of information.

These factors must lend weight, not only to its opinions but to its desires. But in the last analysis, of course, the respect given to any advice must depend upon that advice being high in quality and low in quantity.

Looking back over its eight and a half months of operation, how far can it be said that the Bank of Canada is adequately fulfilling its central banking functions?

It is holding the reserve balances and acting as a clearing house for the chartered banks.

It has not as yet been called upon to make loans to the banks because, during the last few months they have at no time faced any stringency—in fact just the reverse.

Some Achievements

It has assumed the function of government banker and adviser for the Dominion, and has undertaken to manage a number of loan and conversion operations.

In addition to this it has undoubtedly been a factor in broadening and strengthening the market for Dominion treasury bills (short term securities with a life of three months). This has resulted in decreasing the rate which the Dominion has had to pay on this type of borrowing. The average rate on the last issue of treasury bills was 1.411 per cent.

It has not yet been called upon to send delegates to any financial conference; but it is known to be in touch with other central banks and with the Bank for International Settlements.

In the field of credit and currency control it has also been active, although no new policy has been initiated. Its first task in this field was to ensure that its own erection did not cause any upset in the financial world. If not managed with care and delicacy a number of adjustments might have involved difficulties.

The transfer to it of the chartered banks' gold and reserve balances, the replacement of the Dominion note issue by Bank of Canada notes, the beginning of the ten-year withdrawal of the notes of the chartered banks, the erection and temporary employment of an "exchange fund" to be used in the future for protecting the value of the Canadian dollar—all these changes might have caused profound disturbances if they had not been properly executed.

Fortunately the bank did not have to initiate an "easy money policy" in addition to all the business outlined above; because its establishment came close on the heels of an amendment of the Dominion Notes Act, which, permitting an expansion of more than $50 millions was the most inflationary single piece of legislation ever put on the Canadian statute books.

Although it was partially offset by certain monetary adjustments associated with the establishment of the Bank of Canada, this piece of inflation has been gradually working its way through the country's economic and financial system.

One of the most important matters of concern to any establishment is its personnel. Here the Bank of Canada has, in the few months of its life, got off to a good start.

At its head is Graham F. Towers, a young Canadian governor, who, for his devotion to public interest, his knowledge of economic problems and his intimate acquaintance with practical finance, can be described without exaggeration as ideal for his post. He has surrounded himself with a small staff of men, mostly in their thirties and forties, which is second to none that one could name, in ability, experience and capacity to build up the new business of central banking in Canada.

It is highly creditable that, from the governor down, most of the chief officers of the bank have relinquished posts which offered far greater financial opportunities than the bank can. Thus the tradition of public service is well established. This is the outstanding achievement of the Bank of Canada so far.

To sum up the bank's achievements it has in a few short months erected a complete central banking machine. It has begun to operate in most of the important fields of central banking. It has attracted into its service men of the highest ideals and abilities and it has thus laid the foundation for a real contribution to public service in Canada.

So much for the objectives and the operations of the Bank of Canada. The two following articles will discuss the constitution under which the bank is working and will consider the changes and improvements that may come with "nationalization."

Wheat Expert Quotes 80c As Better Export Price

E. Cora Hind, noted Winnipeg journalist and wheat expert, writing from Scotland, reports the suggestion made to her in Glasgow that a lower price, say 80 cents for No. 1 Northern at Fort William, would place Canadian wheat more in line with other wheats and result in increased takings. However the minimum price for this year has been set at 87½ cents and a fair proportion of the crop delivered on that basis. Prices have been lately ruling slightly above the minimum at Winnipeg.

Create a Regular Market for Dairy and Poultry Products

Commodity Exchange Establishes 'Market For Key Foodstuffs

For First Time Regular Outlet Set Up to Trade in Spot and Future Contracts For Butter, Cheese and Eggs

ON NATION-WIDE SCALE

Buyers, Distributors, Sellers and Warehouse Operators Join Forces in Creating Organized Trading Facilities For Canada's Important and Valuable Perishable Foodstuffs

Canadian Commodity Exchange opens a new avenue of business with the inauguration of organized trading facilities for butter, eggs and cheese. These are three basic Canadian products for which there has hitherto been no recognized or central market.

These three commodities, the produce of every province in the Dominion will thus be given a market where transactions are made openly and recorded, subject to those rules and regulations which have been promulgated to give protection to both buyer and seller. It will provide a market for the first time in Canada, where prices are established on a basis of actual transactions rather than upon the opportune bid and offering of a single firm or individual. These prices will then be easily available to any section of the Dominion and abroad.

Form Clearing House

Operating in conjunction with the exchange will be Canadian Commodity Produce Clearing Association, which will clear all future transactions for future delivery of butter, and act as intermediary in the settlement of other classes of trades.

Three types of contracts will be traded in butter. There will be a spot market for immediate delivery; a to-arrive market for delivery within a period of seven days; and a futures market in which will be traded the contracts of the current month and storage contracts for delivery in November to March, inclusive. All futures, however are not traded at the same time, but only as they are called.

For cheese, a spot market and to-arrive call will be held. In eggs, a spot market only will be provided at the start and further developments will be awaited before extending the egg division.

Encourage Higher Grades

In order that production of higher grades may be encouraged, the price basis for future delivery will be established on 92 score butter and penalties are provided for butter of inferior grades on deliveries. Prices will rule by supply and demand for grades on the spot and to-arrive calls. Provincial pride is acknowledged in the provision made for classification of butter by its province of origin on the spot and to arrive calls. That is, butter may be classified as Ontario, Quebec, Manitoba, Saskatchewan, etc., as the case may be.

On maturing future contracts, the butter must be all of one province make and not more than 20 factories and not less than 20 boxes of any one factory's make and manufactured within any 60 consecutive days and not later than 10 months. Foreign manufactured butter is not good delivery on a future contract. The entire delivery must be either fresh or storage, not both. Fresh may be delivered on storage contracts but storage butter cannot be delivered against fresh contracts.

Allow for Variation

On substitutions, the following differentials will prevail in settlement of future butter contracts:

92 score	Standard
91 score	¾c. discount
90 score	1c. discount
89 score	1½c. discount

Deal in Carloads

The standard contracts on the future contracts will be a carlot of 400 boxes of 56 pounds each, a total of 22,400 pounds with a weight tolerance of five per cent. On either of the other calls, a minimum of 100 boxes may be offered. Prices will be measured in eighths of a cent.

In order that various local customs and traditional rivalries of the cheese producing areas may be maintained, it will be possible to trade cheese with its area of origin specified. Many sections of the cheese producers cherish the names and reputations built up over a period of many years. Perhaps two of the best known of these are Belleville and Ingersoll. The minimum amount traded will be 100 boxes and prices will be measured in sixteenths of a cent per pound.

Canadian Cheddar Standard

Cheese will be traded on the basis of Canadian cheddar, white or colored. The minimum lot of 100 boxes must be all one score, not more than five factories and not less than 20 boxes of one factory's make.

Eggs will be specified by the province of origin, and the trading will be in lots of a minimum of 50 cases of 30 dozen each. Prices will be in eighths of a cent per dozen.

Throughout the produce section, Federal Government grading standards will be used when these are acceptable. Only in eggs will the Exchange use its own inspectors and these will be named in centres where it is found necessary.

Method of Trading

The produce section will open first at 10.15 o'clock each morning for spot trading in each of the three commodities, while the to arrive call for butter and cheese will open at 10.30 o'clock and butter futures at 10.45 o'clock. The spot trading will cease at 2.15; the to-arrive at 2.30 and the futures at 2.45 p.m. On Saturdays, the spot market will close at 11.15 and the to arrive and futures 15 and 30 minutes later respectively.

In the main centres, much as Winnipeg, Toronto and Montreal where weight certificates have been issued by a satisfactory local official these will be continued. The Exchange, however, has power to name and demand its own weight certificates in case of disputes.

Warehouse Important Link

All deliveries against contracts on the Exchange will have to be made from warehouses or stores approved by the Exchange. While about 30 of these have been named in various centres, other applications are being received. Owing to the perishable nature of the three commodities, particular attention is paid to the warehouses and the manner in which butter, cheese and eggs are handled in cold storages. The cold storages are classified as warehouses when a public business is carried on and negotiable warehouse receipts are issued against the commodities in storage. Approved stores are, for the most part, the private cold storages of members of the exchange, and in these cases general negotiable delivery orders are issued for the produce.

Use Two "Rings"

The trading is carried out on a floor on which are two rings around which the traders gather, one for butter and cheese and the other for eggs. Beside each of these rings are large blackboards on which the trades and prices are marked. Mingling with the traders around each ring are the exchange's reporters. These employees record each transaction and a page carries the slip immediately to a clerk who gives the details to the boy marking the board and the ticker operator. The details are broadcast within a minute of the time of the actual transaction. Butter and cheese are traded at the same ring because of the price relationship which is generally maintained between the two commodities.

An unusual feature of the rules for trading on the spot and to arrive calls is an extension of time for acceptance of bids or offers at the close. This privilege is limited to a period of five minutes. This provision, a recent innovation on such markets, has been devised for the purpose of discouraging traders from posting prices at the close which are slightly out of line with the market that has prevailed up until that time. In this period no new bids or offers may be made outside of the range posted at the close, but trades may be made within the closing range.

Grading and weight certificates on deliveries of both butter and cheese must be in effect through two business days following the day of delivery. On deliveries of eggs, which are more easily perishable depending upon the temperatures to which they have been exposed, the grade certificates must be in effect only through the day of delivery.

On trades made on the spot call for eggs, deliveries are made by documents delivered to the Clearing Association not later than 4 p.m. on the day of sale. Deliveries on the spot call for butter and cheese are made by documents delivered to the Clearing Association not later than 12 o'clock noon, on the day following the sale.

Started With Silver

Canadian Commodity Exchange was organized last year and started trading October 22, 1934, in silver. Since that date, it has handled transactions involving about 100 million ounces of silver. It has an active membership at the present time of 235 scattered across Canada, in the United States, Mexico, England, France, India and China. In point of membership it is exceeded in Canada only by the membership of the Winnipeg Grain Exchange, and has one of the most widely scattered memberships of any exchange in the world.

The produce section of the exchange is represented on the Governing Committee by five representatives, one in Toronto, one in Winnipeg and three in Montreal.

Apart from the by-laws, rules and regulations which are necessary for the specific purpose of handling trading in butter, cheese and eggs, the machinery of the Exchange itself remains the same except for the expansion necessary in the supervision of additional rings and traders

New Step in Farm Selling

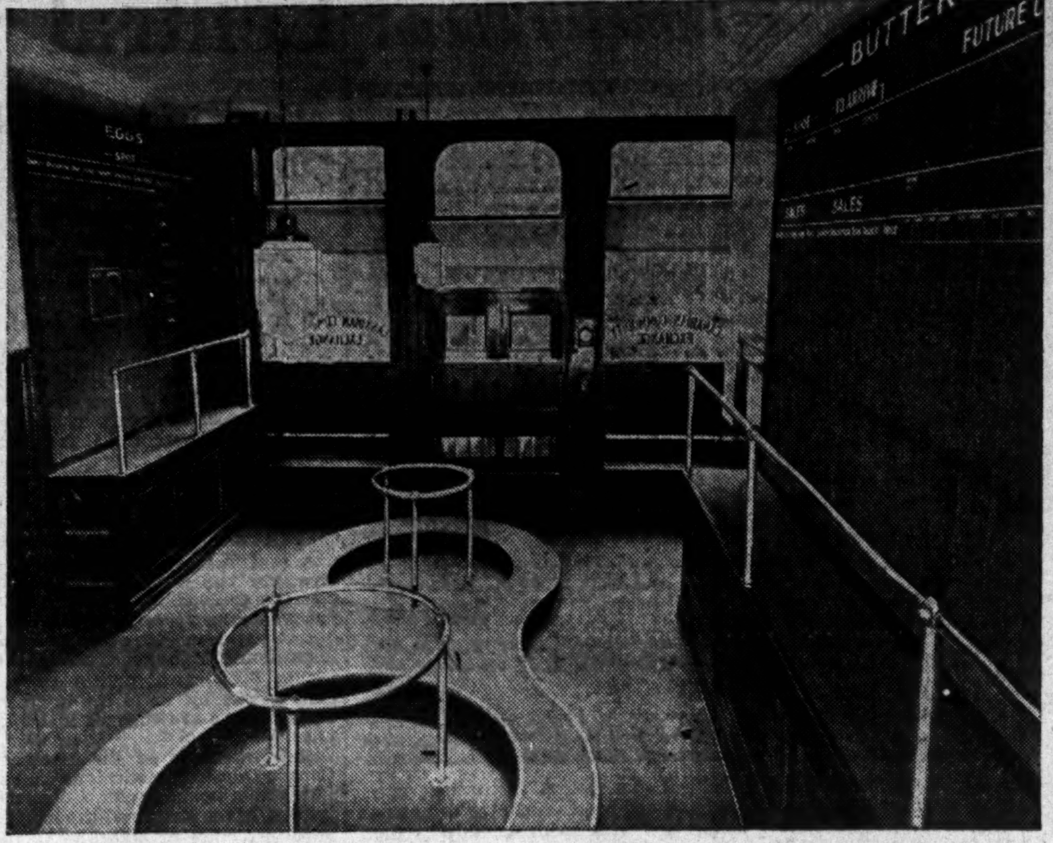
The opening of the butter, eggs and cheese exchange in Montreal this week brings an important phase of the Canadian agricultural industry to the attention of the public.

Hitherto marketing of these products of the Canadian farm has shown little real change since the days of barter over the corner country store. Now the same service which has been available to grain growers for several generations will also be available to producers of butter, cheese and eggs.

The opening of this branch of the Canadian Commodity Exchange comes at a time when exports of Canadian butter again promise to become a factor in the general agricultural situation. Canada faces a surplus of 10 million pounds of butter this fall, according to the authorities at Ottawa. At the same time cheese production, which for over twenty years has been declining, at last appears to be reversing the trend.

In this special section The Financial Post presents a review of the dairy and poultry industries of Canada, describes the operations of the new exchange and assembles the latest statistics dealing with production, prices, consumption and exports of the products concerned.

Home of Canada's Youngest Trading Mart



This view shows the trading floor of the new butter, cheese and eggs division of the Canadian Commodity Exchange. For the first time in Canada trading in poultry and dairy products is placed on an established basis. From this centre will be carried wire quotations of price fluctuations, giving the producer, distributor and consumer a record of actual transactions and providing a greater degree of stability in prices than has hitherto been the case. Active trading operations commenced on Tuesday, October 22.

Storing "Futures"

Exchange Approves Canadian Warehouses For Receipt of Products Against Contracts

All deliveries of butter, eggs and cheese against contracts entered into on the produce section of the Canadian Commodity Exchange must be made from approved warehouses or stores.

Accordingly applications have been received from a number of warehouses across the country to be placed on this approved list. These will be authorized to receive and make deliveries in compliance with the contracts made by the Exchange members. Those approved cover warehouses in Quebec, Ontario, Saskatchewan and New Brunswick.

In all there are 554 cold storage warehouses in Canada, having a combined capacity of over 53 million cubic feet. Those fitted to store butter, eggs, or cheese number 368 with a capacity of 41 million cubic feet. The difference represents warehouses which handle other food products and which cannot be associated with butter, cheese, or eggs, or all three.

A list of the approved warehouses at the time of going to press follows. It is expected that this list will be greatly extended during the next week or two.

Chateau Cheese Co. Ltd.—Ottawa.
Montreal Harbour Commission—Montreal.
Gould Cold Storage Co. Ltd.—Montreal.
Montreal Refrigerating & Storage Ltd.—Montreal.
J. D. Moore Co. Ltd.—St. Marys, Ont.
Manning Cold Storage Co. Ltd.—Toronto.
Olive & Dorion Ltd.—Montreal.
A. A. Ayer Co. Ltd.—Montreal.
New Brunswick Cold Storage Co. Ltd.—Saint John, N.B.
Canada Cold Storage Co. Ltd.—Montreal.
Quebec Harbour Commissioners—Quebec.
Lovell & Christmas (Canada) Ltd.—Montreal.
Hodgson, Rowson & Co. Ltd.—Montreal.
Federal Cold Storage & Warehousing Co.—Montreal.
Federal Cold Storage & Warehousing Co.—Toronto.
Public Cold Storage & Warehousing Co.—Toronto.
Canada Packers Ltd.—Toronto.
Do., Quebec City.
Do., Peterborough.
Do., Regina.
Do., Ottawa.
Wellington Produce Co. Ltd.—Harriston.
J. B. Jackson Ltd.—Simcoe.
Flavelles Ltd.—Lindsay.

Livestock At Edmonton

In all classifications except horses—in which a small decline was registered—livestock receipts at the Edmonton stockyards during the three-quarter period of 1935 showed increases over the similar period of last year. Cattle receipts numbered 35,793 head, (compared with 24,584 in 1934; calves, 7,974, (4,736); hogs, 63,960, (60,254); sheep, 10,689, (10,282) and horses, 51, (53).

Bootlegging Butter On Impressive Scale

Bootlegging of alcohol developed into big business when the United States went on the dry standard, but for some time past another form of smuggling has been going on between Canada and the United States. While in volume and value it does not assume the importance of alcohol, nevertheless it is a considerable source of revenue to those engaged in the business.

Bootlegging of butter between the Eastern Canadian provinces and the United States has been going on quietly for some time and it is estimated that in 1934 some five million pounds were smuggled across the border without paying the duty of 14 cents a pound as demanded by Uncle Sam. This business is profitable as last year there was a spread of as much as 9 to 10 cents a pound between the Canadian and American prices. At present the spread between Montreal and New York prices is six cents a pound, a rate which still makes it attractive to smuggle butter into the United States.

Creamery Butter Costs

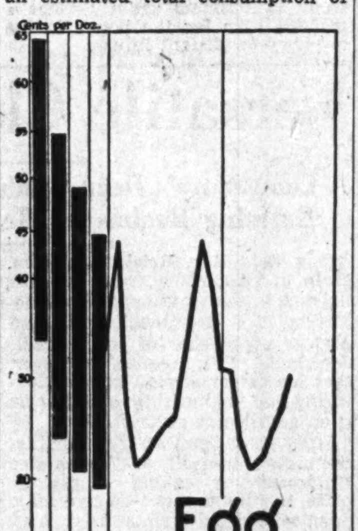
A study of creamery management in the Prairie Provinces reveals that the average manufacturing cost was 3.45 cents per pound in 78 creameries, which were grouped according to the pounds of butter manufactured. The average cost of manufacture in plants in which production was under 100,000 pounds of butter for the year was 4.82 cents per pound while in factories having an output of over 500,000 pounds, the figure was 3.18, a range of 1.64 cents per pound.

Golden Egg

Lowly Barnyard Fowl Proves to be Farmers' Gold Mine

In 1934 there were 24.7 million egg-laying hens in Canada, which produced over 223 million dozen or 2,677 million eggs. The average price per dozen was 15 cents, giving a total production value of $33 millions.

In addition poultry farms contributed 20.5 million dozen and 137,291 dozen were imported. Exports amounted to 2 million dozen, leaving an estimated total consumption of 241.7 million dozen equal to 22.31 dozen or 267.72 eggs per capita.



The following table shows total eggs produced, average value per dozen and total value in the years 1925 to 1934:

	Egg-producing hens on farms No. (000's)	Total eggs produced dozen (000's)	Total value of eggs produced $ (000's)
1925	27,190	185,797	48,307
1926	27,995	195,965	54,870
1927	28,976	209,353	68,993
1928	28,072	222,241	68,895
1929	28,641	226,745	68,023
1930	29,052	230,000	62,100
1931	25,407	237,131	40,312
1932	24,806	229,461	29,830
1933	24,922	222,254	27,577
1934	24,688	223,107	33,206

Halifax Shipping Up

Halifax harbor's shipping rose to an all-time peak for nine months in the period between Jan. 1 and Sept. 30, the port authorities announce. Inbound and outbound cargo tonnage, totalled 1,611,538, which was 32,474 tons over the record-breaking figure for the same time last year. This year 4,191 ships visited the port, as compared with 3,854 up to Sept. 30, 1934.

Benefits

New Exchange Activity Adds to Security of Produce Industry

Enlargement of the facilities and organization of Canadian Commodity Exchange to include butter, eggs and cheese adds a large measure of security to business in the produce industry. It will give security to its contracts, supervise deliveries for quality and quantity, and such other details as are pertinent.

The value of centralized as well as organized trading in an industry which has been handicapped by unregulated trading will be tested in the first instance by the stability which it brings to prices. Experience has indicated that the short term fluctuations, which add immeasurably to the cost of doing business, will be ironed out. Through hedging it will provide a means of insurance against losses.

Quotation Service Valuable

Widespread distribution of quotations and the easy facility with which these can be secured is an important factor in the operation of such an exchange, and weighs heavily in the benefits which accrue to the members thereof.

The agricultural industry will benefit through the establishment of a market on which prices will be established and recorded daily on the basis of actual transactions by traders who meet on an open floor and make their offers or bids by word of mouth.

Canadian Butter

Canadian butter is reported to be maintaining its high standard of quality. Out of 1,174,390 boxes of pasteurized butter graded during the period from Dec. 3, 1934 to August 31, 1935, 999,342 boxes, or 85.09 per cent, were awarded first grade. This compares favorably with the grading of 1,154,472 boxes during the period from Dec. 4, 1933 to Sept. 1, 1934, when 986,091 boxes, or 85.42 per cent, were awarded first grade.

Chain Store Sales

Chain store sales in the Prairie Provinces represent about 15.5 per cent of the total sales. In Manitoba they represent 11.3 per cent.

Sept. Butter Production Reported Up 15 Per Cent

Production of creamery butter in Canada in September was up over 15 per cent. It amounted to 27.6 million pounds compared with 23.2 million pounds for the same month a year ago. The principal increases are shown in the Prairie Provinces due to the good growth of fodder after a number of years of severe drought. Manitoba showed an increase of 28.5 per cent over last year, Saskatchewan 27.2 per cent and Alberta 18.9 per cent.

For the first nine months of 1935 production shows a drop of .8 per cent for Manitoba, an increase of almost five per cent for Saskatchewan and a drop of .9 per cent for Alberta. For Saskatchewan alone during the months of June, July and August the central and northern sections report an increase of over 30 per cent and the southern section an increase of 18.6 per cent. It will thus be seen that the improvement has taken place in the latter months only. For the whole of Canada the first nine months production is up almost three per cent.

Following are the September figures for the first nine months of the year for the whole of Canada:

Canadian Butter Production

Province:	Sept., 1935 lb.	Sept., 1934 lb.
Prince Ed. Island ..	230,000	226,359
Nova Scotia	424,341	395,307
New Brunswick ..	335,742	316,684
Quebec	10,266,000	8,915,581
Ontario	8,586,972	7,666,308
Manitoba	2,544,189	1,979,676
Saskatchewan	2,338,400	1,837,928
Alberta	2,360,000	1,965,000
British Columbia ..	512,600	496,514
Total	27,598,244	23,819,353
Total, Jan.-Sept. .. (nine months).	194,704,000	191,357,000

Wives of Farmers Are Big Purchasers

Canada has about one million farmers' wives and they provide an important outlet for food and clothing staples.

Recently an American publication has made a survey of the buying habits of the U.S. farmer's wife with interesting results. For one thing figures are published to show how far the average farm wife travels for her food. The facts are as follows:

11.8%	under 2 miles
23.3	2- 3 miles
20.8	4- 5 "
15.6	6- 7 "
9.0	8- 9 "
7.4	10-11 "
5.0	12-13 "
2.8	14-15 "
4.3	16 miles and over

Other interesting points from the survey show all staple items are well established and recent specialties have gained a foothold in farm homes. Items such as all-purpose flour, syrups, package crackers, macaroni, gelatin, cocoa, chocolate, coffee, tea and so on, are in constant use.

A special purpose product, such as cake flour, is now used in 65 per cent of farm homes. Ready prepared salad dressings are purchased by 40 per cent of farm wives even though they have at hand the ingredients for making the homemade dressings. Catsup is used in 32 per cent of homes, evaporated milk in 22 per cent and canned cooked spaghetti in 17 per cent.

Say Bean Bootlegging In Western Ontario

Although it is not openly admitted, it is generally understood that the controlled marketing of beans in Western Ontario is not working out "100 per cent perfect." Growers are supposed to sell their beans through the Bean Marketing Agency with headquarters in Chatham at a fixed price and the latter disposes of them through brokers to distributors also at definite prices. But apparently some farmers who needed ready cash and who did not want to wait for the controlled wheels of bean commerce to revolve, were disposed to sell at a lower price outside the pool.

So one hears of the f.o.b. Chatham price to the growers becoming an f.o.b. steamer (Lake Erie) quotation; and that this again has meant an f.o.b. Toronto price the same in some instances. In other words, beans have been trucked to Toronto and disposed of there at what should have been the Chatham price to the growers.

Produce Trading

CANADIAN COMMODITY EXCHANGE INC.

Will introduce Organized Trading Facilities for

BUTTER, EGGS AND CHEESE

Tuesday, October 22nd, 1935

Trading will be subject to the By-Laws, Regulations and Rules of the Exchange, of which the following is a digest:

BUTTER

"SPOT"

HOURS.—10.15 a.m. to 2.15 p.m. Saturdays.—11.15 a.m.

CONTRACT.—Minimum of 100 boxes of 56 pounds each (5% tolerance), all one score, not more than five factories and not less than 20 boxes of one factory's make.

CURRENT RECEIPTS.—Made within two weeks, pasteurized creamery butter, graded upon total score Government certificates to rule. Official weights. Salt content not under 1% nor over 2%.

PRICES.—Measures in fractions of not less than one-eighth of a cent per pound.

COMMISSION.—One-quarter of one cent per pound.

DELIVERY.—From an approved warehouse or store by documents delivered to the Clearing Association not later than 12 noon on day following sale.

"TO ARRIVE"

HOURS.—10.30 a.m. to 2.30 p.m. Saturdays—11.30 a.m.

DELIVERY.—From an approved warehouse or store on a specified day not later than seven days after sale.

Other conditions similar to "Spot."

"FUTURES"

HOURS.—10.45 a.m. to 2.45 p.m. Saturdays.—11.45 a.m.

CONTRACT.—400 boxes of 56 pounds each (5% tolerance), all one province mark, not more than 20 factories and not less than 20 boxes of any one factory, made within 60 consecutive days and not later than 10 months.

DELIVERY.—From an approved warehouse or store during month of maturity on contract. All must be fresh or storage, not both. Fresh may be delivered on storage contracts, but no storage on fresh contracts.

SUBSTITUTIONS.—92 score Standard
91 score ¾ cent discount
90 score 1 cent discount
89 score 1½ cent discount

TRADING.—In current month and storage contracts from November to March, inclusive on call of Governing Committee.

PRICES.—Measured in fractions of not less than one-eighth of a cent per pound. Fluctuation of an eighth is equivalent to $28.00 on each contract; fluctuation of a cent is equivalent to $224.00 on each contract.

COMMISSION.—$56.00 for each contract purchased or sold.

CLEARANCE.—All contracts to be cleared by Canadian Commodity Produce Clearing Association.

CHEESE

"SPOT"

HOURS.—10.15 a.m. to 2.15 p.m. Saturdays.—11.15 a.m.

CONTRACT.—Minimum 100 boxes (5% tolerance) large Canadian cheddar style, white or colored, all one score, not more than five factories and not less than 20 boxes of one factory's make.

QUALITY.—Total score by Dominion Government grade certificates.

DELIVERY.—From an approved warehouse or store by documents delivered to the Clearing Association not later than 12 noon on day following sale.

PRICES.—Measured in fractions of not less than one-sixteenth of a cent per pound.

COMMISSION.—One-eighth of a cent per pound.

"TO ARRIVE"

HOURS.—10.30 a.m. to 2.30 p.m. Saturdays.—11.30 a.m.

DELIVERY.—From an approved warehouse or store on a specified day not later than seven days after sale.

Other conditions similar to "Spot."

EGGS

"SPOT"

HOURS.—10.15 a.m. to 2.15 p.m. Saturdays.—11.15 a.m.

CONTRACT.—Minimum 50 cases (5% tolerance) of 30 dozen each. Origin to be specified by provinces.

GRADES.—A, B and C on basis Dominion Government regulations.

DELIVERY.—From an approved warehouse or store by documents delivered to the Clearing Association not later than 4 p.m. on day of sale.

PRICES.—Measured in terms of fractions of not less than one-eighth of a cent per dozen.

COMMISSION.—10 cents per case.

Any additional information may be had on application to

CANADIAN COMMODITY EXCHANGE INC.

P. O. BOX 1646 MONTREAL

Nearly Sixty Millions Is Capital Investment Butter-Cheese Plants

Rank Equally With Flour Milling, Breweries and Packing Plants — Butter Production Shows Steady Gain But Cheese Drops Far Behind

With close to $60 millions invested in butter and cheese manufacturing plants in Canada, this industry definitely enters the realms of major business. It ranks about equally in capital investment with printing and publishing, breweries, meat packing and flour milling and is only slightly behind the money put into oil refineries, rubber factories and sawmills. According to the most recent information from the Dominion Bureau of Statistics there is more capital invested in butter and cheese factories than in plants which manufacture bread, or automobiles or sugar refineries.

Widely Scattered

Like the sawmills and bread plants most of this capital with a few notable exceptions is widely scattered. There are over 3,000 plants. Beyond a relatively small number of large central factories in the big distributing centres of Canada, most of these are one-story plants located in the agricultural districts of the eastern provinces and the mixed farming areas of the Prairie Provinces and British Columbia.

The annual wage bill of these plants is estimated by the Dominion Bureau of Statistics at $12.5 millions paid to over 13,000 employees. Annual bill for materials is slightly over $50 millions and gross annual production is over $80 millions.

Long History

The permanent establishment of cattle in Canada dates from the beginning of the 17th century when Champlain brought a few head to the colony of Quebec. Butter and cheese making was introduced by the early French colonists, but remained on a domestic and homemade scale till the latter half of the 19th century. Export of surplus butter to the United States, however, was recorded as early as 1801 from Kingston, Ont.

Ontario Leads

In output Ontario is easily the leader in creamery butter with Quebec in second place. In recent years the industry has become of more importance in the Prairie Provinces and more particularly in the present season when pasture and general fodder conditions have been materially improved. Drought conditions in Southern Saskatchewan hit the western dairy industry hard in 1933 and 1934, but districts where hardly a blade of grass was produced in those years are now green again. This improvement is clearly shown in the following table which gives August production with a comparison for the same month a year ago:

Creamery Butter Production

	August 1934 lbs.	August 1935 lbs.
Prince Edward Island	284,359	281,000
Nova Scotia	586,268	541,944
New Brunswick	478,490	472,333
Quebec	10,504,831	11,200,000
Ontario	9,306,907	10,009,598
Manitoba	2,660,820	3,028,586
Saskatchewan	2,928,709	3,493,100
Alberta	3,203,000	3,500,000
British Columbia	567,666	630,500
Total	30,521,050	33,157,161

Eight Months Ending August

	1934 lbs.	1935 lbs.
Prince Edward Island	1,326,063	1,096,530
Nova Scotia	4,443,223	3,537,949
New Brunswick	2,474,968	2,122,382
Quebec	46,294,820	48,503,000
Ontario	56,063,075	58,048,556
Manitoba	15,992,737	15,287,970
Saskatchewan	16,467,801	16,859,123
Alberta	20,256,000	17,460,000
British Columbia	4,218,640	4,190,414
Total	167,537,327	167,105,924

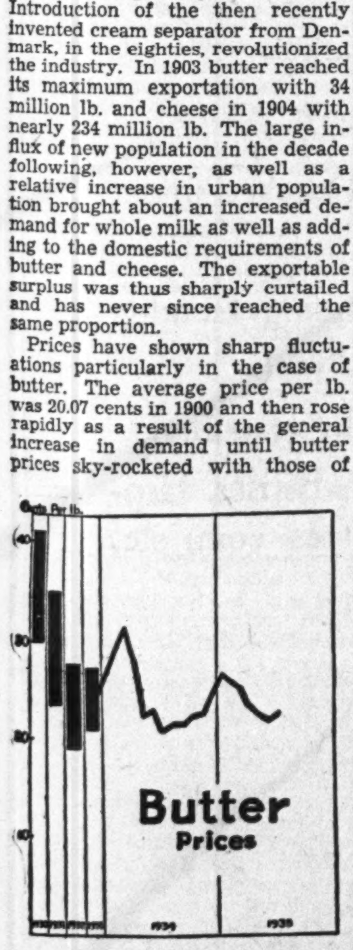
Make More Butter

On the whole production of creamery butter, that is butter made in the factories and not on the farm, has shown a steady increase in the last decade, though values of course have fluctuated. A record output of over 233 million pounds was established in 1934 and owing to improving conditions in the western provinces this may be exceeded in the current season. It is this steady increase in butter accompanied by a decline in cheese that is responsible for the two market stabilization schemes now in operation from Ottawa.

Separator Proved Stimulus

The first Canadian cheese factory was established in Ontario in 1864, and the first Canadian creamery for butter making in Quebec in 1873. Introduction of the then recently invented cream separator from Denmark, in the eighties, revolutionized the industry. In 1903 butter reached its maximum exportation with 34 million lb. and cheese in 1904 with nearly 234 million lb. The large influx of new population in the decade following, however, as well as a relative increase in urban population brought about an increased demand for whole milk as well as adding to the domestic requirements of butter and cheese. The exportable surplus was thus sharply curtailed and has never since reached the same proportion.

Prices have shown sharp fluctuations particularly in the case of butter. The average price per lb. was 20.07 cents in 1900 and then rose rapidly as a result of the general increase in demand until butter prices sky-rocketed with those of other commodities during the Great War. In 1920 the average annual price for a pound of butter reached a high of 56.96 cents. From then on the trend turned downward till in 1932 the average price had dropped to 18.91 cents. In the past couple of years prices have recovered somewhat, the current price being around 22 to 23 cents for top grade butter.



The following table gives the total Canadian output and value of creamery butter for the last 10 years:

Creamery Butter Production

Year	Pounds	$
1934	233,047,000	46,441,000
1933	219,232,000	43,546,000
1932	214,002,000	40,475,000
1931	225,955,000	50,198,000
1930	185,751,000	56,670,000
1929	170,810,000	65,929,000
1928	168,027,000	64,702,000
1927	176,978,000	65,709,000
1926	177,209,000	61,753,000
1925	169,494,000	63,008,000

Cheese Falls Off

Turning to the cheese end of the picture, however, trend of production is exactly opposite to that noted in creamery butter. The decline, as indicated in the table below, has been going on steadily since the beginning of the century and was particularly pronounced during the boom period of 1926-29.

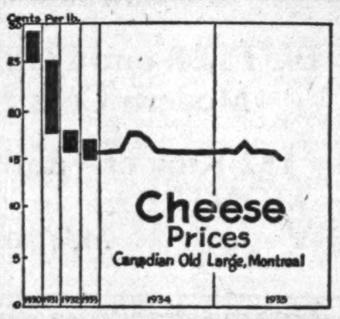
Factory Cheese Production

Year	Pounds	$
1934	99,754,000	9,832,000
1933	111,146,000	11,127,000
1932	120,524,000	11,379,000
1931	113,956,000	12,824,000
1930	119,105,000	18,089,000
1929	118,746,000	21,471,000
1928	144,584,000	30,494,000
1927	138,056,000	25,522,000
1926	171,731,000	28,807,000
1925	171,139,000	36,571,000

Prices Fall

While butter prices in common with practically everything else have declined from the high levels of five years ago, there has been more steadiness since 1932 than has been the case with cheese. While there are differences of opinion in regard to the cause for this it is generally agreed that the butter market has been maintained by the fact that until very recently the country has been on an import basis. Tariff and overseas transport costs would therefore have had a tendency to increase domestic prices above the slipping world level.

On the other hand cheese was in the opposite situation and prices here have followed the world level, less in some instances cost of transport to the world market which in Canada's case means Great Britain.



Butter Hurt Cheese?

In some quarters, too, the statement is made that the very factors which have tended to maintain butter prices have actually worked against cheese.

Thus a few years ago when New Zealand butter producers came up against high tariffs in both Canada and United States, that Dominion turned its efforts more to cheese. The latter product had always found a ready market in Britain. But this increased production came into direct competition with Canadian cheese.

For nearly a quarter of a century Canada held the leading place in both volume and quality for cheese in the Old Country but in recent years, however, we have fallen considerably behind New Zealand in so far as exports are concerned.

Production is almost entirely confined to Ontario which contributes about three-fourths of the Canadian output. Very largely this comes from those Ontario counties which touch the eastern end of Lake Ontario and the St. Lawrence River though there is also an important block of factories situated in around Oxford County. By provinces 1934 production was as follows:

Cheese Production by Provinces

	1934 lbs.	8 Mos. to Aug., 1935 lbs.
Prince Edward Island	340,000	......
New Brunswick	350,400	203,000
Quebec	21,721,000	13,564,000
Ontario	73,497,000	47,777,000
Manitoba	1,130,000	......
Saskatchewan	750,000	......
Alberta	1,286,000	895,000
British Columbia	678,000	522,000

Cold Storage Holdings Farm Produce

ON THE 1st DAY OF EACH MONTH

(Note: Butter and cheese figures represent pounds: eggs are shown in dozens)

		1935	1934	1932	1930	1928	1926
January	Butter	32,139,572	22,026,655	24,385,391	13,689,985	21,609,123	10,015,826
	Cheese	17,104,510	15,973,921	11,680,575	12,076,024	20,844,826	22,410,062
	Eggs	5,767,844	3,587,926	6,192,318	2,673,387	3,647,229	4,373,615
February	Butter	22,660,533	14,737,944	18,815,010	13,931,530	18,955,244	5,585,495
	Cheese	15,252,502	13,942,470	10,207,985	10,317,278	17,481,842	18,144,107
	Eggs	3,606,101	1,998,593	4,621,154	1,973,697	2,030,845	2,663,065
March	Butter	15,039,257	7,462,885	10,376,921	13,289,329	12,580,692	3,422,728
	Cheese	12,898,640	12,351,874	7,936,046	8,859,570	15,569,794	15,101,638
	Eggs	2,287,048	1,372,195	2,699,982	1,684,417	1,151,354	1,490,725
April	Butter	7,178,158	3,818,672	4,539,621	12,503,563	6,834,730	2,302,765
	Cheese	12,421,935	10,808,620	7,663,337	6,350,320	13,135,081	12,323,798
	Eggs	1,990,555	1,309,675	2,868,539	2,871,802	1,199,111	1,556,970
May	Butter	3,658,694	2,523,038	2,848,365	8,446,549	3,715,033	2,835,681
	Cheese	10,908,997	9,853,572	5,934,132	6,407,755	10,992,271	11,897,940
	Eggs	4,517,893	4,555,812	6,254,829	7,107,522	5,670,635	4,602,481
June	Butter	7,937,612	7,111,511	4,438,949	11,163,780	3,375,754	4,280,299
	Cheese	11,685,129	9,822,163	7,535,841	6,471,834	9,074,887	13,246,887
	Eggs	9,609,564	12,348,834	12,378,565	14,350,844	13,321,747	10,903,458
July	Butter	22,628,643	24,997,051	16,794,077	22,822,328	12,235,094	14,658,459
	Cheese	18,836,233	17,459,568	16,034,342	15,784,046	16,653,446	18,977,681
	Eggs	12,205,187	16,189,718	15,144,342	18,321,653	17,709,212	15,021,806
August	Butter	40,668,803	42,800,268	25,050,703	33,605,009	23,049,578	28,776,936
	Cheese	29,409,505	24,881,799	19,355,016	25,247,333	23,569,072	34,480,889
	Eggs	14,368,169	17,480,402	15,469,057	19,840,451	18,278,434	16,038,310
September	Butter	52,139,375	51,420,871	30,221,357	40,224,517	29,330,739	34,026,198
	Cheese	34,625,600	32,154,332	22,119,314	30,976,401	27,858,201	41,533,361
	Eggs	14,724,563	18,824,818	16,239,783	20,286,049	18,690,436	16,121,133
October	Butter	54,820,000	53,899,534	32,577,227	38,726,275	29,386,157	32,670,135
	Cheese	29,431,000	34,166,037	21,764,008	31,250,460	27,806,984	38,251,790
	Eggs	9,430,000	18,380,746	15,493,296	19,603,813	17,675,484	14,734,280
November	Butter	....	49,999,061	31,316,479	34,388,704	25,996,343	28,510,667
	Cheese	....	24,677,911	20,426,725	24,800,773	24,382,728	34,507,667
	Eggs	....	13,713,981	11,752,461	15,795,287	13,180,845	9,312,884
December	Butter	....	42,028,830	26,470,181	29,215,701	17,824,358	19,949,862
	Cheese	....	17,886,343	13,228,723	16,914,747	19,532,472	26,229,549
	Eggs	....	8,710,727	7,052,612	10,781,995	8,383,539	4,994,554

Produce Men Represented On Commodity Exchange

To accommodate the new produce section, the Canadian Commodity Exchange, in August of this year increased the membership of its board of governors from 15 to 20. It approved the election of five members representing the Canadian produce industry.

Members elected to the governing committee from the produce section are: T. J. Coyle, of T. J. Coyle & Co., Winnipeg; H. T. Chisholm, of H. T. Chisholm & Co., Toronto; A. A. McKergow, of The A. A. Ayer Co., Ltd., Montreal; K. H. Olive, of Olive & Dorion, Ltd., Montreal, and T. W. Grieve, Montreal, president of the Canadian Produce Association.

Maurice Forget

Maurice Forget, of Forget & Forget, Montreal, who is credited with the original idea of a commodity exchange in Montreal, is chairman of the board of governors.

Mr. Grieve was named chairman of the committee on grading and warehousing. Other members on the committee are: H. G. Moore, of H. G. Moore & Co., Toronto; R. A. Nothstein, of R. A. Nothstein Ltd., Winnipeg; E. H. Hodgson, of Hodgson, Rowson & Co. Ltd., Montreal; W. G. Lasher, of the Montreal Refrigerating and Storage, Ltd., Montreal; C. R. Johnson, of Canada Cold Storage Co. Ltd., Montreal; J. E. Cregan, of The A. A. Ayer Co. Ltd., Montreal, and John Freeman, of Lovell & Christmas (Canada) Ltd., Montreal.

K. H. Olive was named chairman of the committee on quotations with power to appoint two additional members.

A. D. Descary was appointed to the committee on public relations.

Taschereau Opens Produce Exchange

With all the ceremonies incidental to such an event, Premier L. A. Taschereau officially opened the new Produce Section of the Canadian Commodity Exchange on October 22 and thus provided the Dominion with its first regular market for butter, cheese and eggs.

The opening date of the Produce Section coincides with the Exchange's anniversary of the commencement of trading in silver last year. Since that time the volume of trading has run upwards of 100 million ounces and has more than justified its existence in the opinion of its sponsors.

In addition to the regular members of the exchange, a number of the important brokers and dealers in butter, cheese and eggs in different parts of the Dominion have joined the exchange.

Names in the News

Porcupine Advance, Timmins

It is an axiom among newspapermen that people like to see their names in the newspapers. It should be added that they also like to see other people's names in the newspapers. One trouble is that some people like to see their own names mentioned in laudable way, while they delight overmuch, perhaps, in reading of others in police court reports for instance. Few people are pleased to be mentioned in police court stories.

Some years ago there was a rather notorious blindpigger in Timmins who used often to come to The Advance office to express his thanks for mention in the police court news. "It's good publicity," John used to say, "but I do wish you would always mention the address when the police raid my house, so that new customers would know where to find me. All the old-timers know my place." He was an exception to the general rule, however. He was a friendly fellow and a philosopher.

As a matter of fact, publicity has more of a deterrent effect upon wrongdoers than is generally realized. The most of those who find themselves caught by the law find the publicity a particularly heavy part of the punishment for their wrongdoing. This is proved in part by the fact that so many seek to have their names omitted from the court reports. Newspapers, however, find that their first duty is to the public, and though there is no animus to the convicted person names have to be used.

There are times, however, when in the doing of their duty the newspapers seem to cause undeserved annoyance to innocent people. This does not refer to the families or friends of convicted persons, though reference along this line is a familiar ruse to attempt to induce newspapers to suppress certain names.

The hardship on innocent people referred to comes in a different way. A glaring example of what is meant was recently given by The Financial Post. One of the members of the staff of that paper is named Wellington Jeffers. That is surely an unusual enough name to protect a man from confusion of identity in police court publicity! The John Smiths, William Browns and other common names might suffer from aspersions on their names, but most people would imagine that "Wellington Jeffers" would only be likely to suffer from his own sins! But not so!

It develops that there are actually 3 men bearing the name of "Wellington Jeffers" and living in Toronto. The result recently was that two of these men named Wellington Jeffers suffered because the third received due publicity for being found guilty of being drunk in charge of a car and having to serve a term of 15 days in jail. The two innocent men named "Wellington Jeffers" had to put up with considerable annoyance. They suffered from the fact that some of their friends said nothing, but looked askance at them. They suffered still more from the friends with a peculiarly developed sense of humor who did not believe in their guilt but talked about the matter to others who for lack of humor or other reason failed to see any joke but gathered the impression that the particular Wellington Jeffers they knew was a drunken car driver and a man out of jail.

Something should be done about it, but what? It seems to be one of those cases where the innocent suffer with the guilty for the common protection and the maintenance of well-founded principles.

It may be that the case of "Wellington Jeffers" is a rare case and so open to counteracting publicity. The Financial Post suggests that the Old Country newspaper method of giving street addresses, ages and other particulars would assist in preventing unnecessary confusion of identity in police court cases. It may be said, however, that the newspapers in general, with the exception of a few who care for nothing but hysterical sensation, are doing their best to avoid annoyance or injury to innocent people. The truth is that newspapers would much prefer to use names in a pleasing way rather than in objectionable fashion

Some local samples of the injury that might be done by the use of names in unnecessary way in police court news may be mentioned here. Last winter drunks and vagrants proferred the names of several police officers and prominent citizens of town for the court sheets. Some years ago a very intoxicated gentleman insisted on being booked under the same name as that borne by the respected mayor of the town. Later, it was learned that the intoxicated gentleman had a real name very different to the one he claimed so boisterously. The fact that the names of what The Advance often terms as the common garden variety of drunks are not published stopped annoyance to innocent men but may have prevented considerable amusement as well.

Last week, however, there was a case where one man was able to throw reflection on two races simply by the name he used. This was "Tony Kelly," who charged another man with assault. Questions at once arose as to whether Tony was an Italian or Kelly was Irish. Had the world degenerated so that either race would take a fight to the courts? If so, then history would certainly be what Henry Ford once called it —"the bunk." And the newspapers of today would be making that sort of history, too. Then when the assault case came before the court it was proved that "Tony Kelly" was a Chinaman.

In the Mail

Industrial Codes

Editor, The Financial Post:

I am glad to see your paper has room, for such correspondents as "Canadian Countryman" and "E.L.P." It is a pity our political leaders had not imbibed some of the fundamentals they have so well presented.

There can be no doubt about it, the Industrial Standards Act purporting to establish wage codes in industry is doing just what these correspondents claim — increasing still more the inequitable relationship that has been existing between farm life and city life, between the primary producer and the consumer. Economic law would soon iron out the disparity existing between these, if only artificial wage-fixing was not allowed to block the way.

The farmer's dollar in purchasing power is still less than 80 cents as compared with the pre-depression period, but the urban wage standard in general, and the scale of charges in the professions are still 30 per cent above the level of farm prices.

That is where our unbalanced economy comes in, and where the wheels of recovery have been spiked.

What is needed in our economy today in order to rejuvenate business in all lines, is some approach to parity of the primary producer, subject to law of supply and demand, with the urban citizen, clinging to an artificial standard.

Another Rural Philosopher,
Fort William.

Farmers and Wheat

The Editor, Financial Post:

I notice that your Winnipeg correspondent is of the opinion that western wheat farmers "are inclined to use the open market" when valuations are more than a cent above the minimum set by the Canadian Wheat Board.

The deplorable economic position of many a grower is bound to color his judgment in this matter. It is a commentary on the grave condition of those growers, that so slim a margin as indicated should have the power to warp their judgment, or, at any rate, their action.

I have a vivid recollection of the slight value placed on the "Participation Certificates" of the Canada Wheat Board (1919). In my district they were virtually given away, or sold for a song, or considered worthless. Certain wide-awake business and professional men gathered them in, for payment of services rendered, on the basis that they might be worth two or three cents a bushel, eventually. If my memory serves me aright, those boys cashed those "Participation Certificates" at the close of the crop year on the basis of 31 or 32 cents a bushel!

I was glad to note, therefore, that the 1935 document has been made non-transferable. I am not suggesting that history will repeat itself in this matter; but, when I look into the wheat-bins of our neighbors, and those of Argentina and Australia; when I am assured that the growing crops in those southern hemisphere fields are likely to yield 200 million less bushels for the international market than last year's tonnage, I am suggesting that far stranger things have happened.

WALTER P. DAVISSON.
Toronto.

Secretary

J. N. SCHMAUDER

Secretary-treasurer of Canadian Commodity Clearing Association and recently appointed general secretary of the Canadian Commodity Exchange.

U. S. Farm Wages

Farm wages in the U. S. A. are about 13 per cent higher this fall than last, farm hands averaging $20.57 a month with board and $30.38 a month without board.

War on Japanese Beetle

The campaign to prevent the entry of the Japanese beetle into Canada from the infested areas of the United States is under way in the districts of Halifax, Saint John, Montreal, Toronto, Niagara Falls, and Windsor. A strict watch is being kept on consignments of merchandise and on motor cars coming from the infested districts over the border.

Livestock Pedigrees

The total number of pedigree certificates registered during August, 1935, by the Canadian National Livestock records, approved by the Dominion Minister of Agriculture, was 5,170. Of that number 252 were horses, 2,559 cattle, 1,002 sheep, 640 swine, 17 foxes, 662 dogs, and 38 goats (11 Nubian, 13 Saanen, and 14 Toggenburg).

Acreage and Prospects Cut Sharply in Argentine

The first official crop report of the Argentina government issued at the beginning of the month states that there has been a very considerable reduction in the acreage of all grain as compared with last year. In addition, the report states that it is necessary to consider that a part of the area sown to grain, particularly wheat, must be considered as practically lost in view of the continued drought.

Acreage alone, it is estimated, is about 25 per cent below the average. Since this report was issued, it is understood, there has been a certain improvement in the drought situation.

OLIVE & DORION LIMITED

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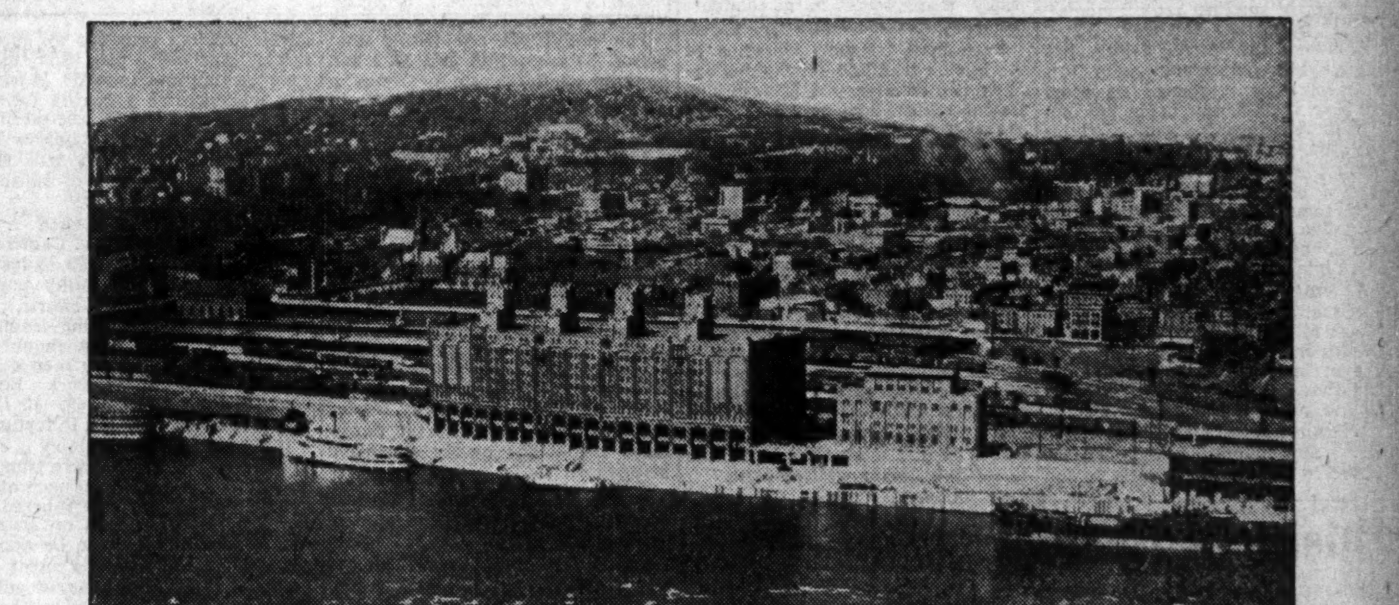

Montreal Harbour Commissioners' Cold Storage Warehouse

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ALPHONSE RAYMOND, Esq.

Michie Traditions

Only Business of Its Kind in Canada to Occupy Same Site for 100 Years

By KENNETH R. WILSON

Down on old King St., Toronto, is a proud, but lonely, institution.

Proud, because it has carried on for one hundred years an exclusively high class business not paralleled anywhere else in Canada, and in only four or five other places on the continent.

Lonely, because for over a decade it has been the sole remaining member of what was once Toronto's busiest retail intersection—King and Yonge Streets.

Unique Record

The name of the firm is Michie & Co. Its boast is that for over 100 years it has carried on business at its original site—a record unique in Toronto, and that despite the change and fluctuation of a century it still maintains rigid adherence to the highest standards and traditions of the exclusive high class grocery store.

It is a select fraternity this business of blue-ribbon merchandising. When the firm started at 7 King St. W. on May 1, 1835, they ranked twelfth among the firms which catered to Canada's "400." Today they rank alone in Canada and among the first five on the continent. The company still has on its books the names of many Toronto families, who have now dealt with this one firm through four generations.

Proud of Credit Business

And speaking of books, one might think that after five years of depression a firm like this would be heavily loaded with the debts of its credit customers. This is by no means the case.

The company's customers pay well and regularly and the company is still as keenly enthusiastic about its credit as its cash customers.

A credit customer, says Michie's, is "your" customer. He doesn't have to be re-sold every day. "We make no attempt to force sales and have never had cause to worry about our credit business."

On the other side of the ledger the company prides itself that its own accounts are always paid promptly, are never outstanding more than 10 or 12 days. It prides itself, too, that although this is the third or fourth major depression the company has been through it has emerged with its own share of retail business relatively unimpaired.

To offset the fact that social Toronto has moved five to 10 miles north of 7 King W. are several important considerations.

"True our front door is a long way away from our customers but we have eight telephone doors continually open with no parking restrictions. Of course, we encourage our customers to come into the store as often as possible because they always buy more than when they telephone. We also have a very valuable summer trade, both for our regular customers when they go away to their summer homes and also from visitors from the United States many of whom rely on us for their entire summer requirements."

Name Has Changed

Although the Michie family has always been associated with this business since it opened its doors on May 1, 1835, the name has not always remained the same. Originally the senior partner was Alex. Ogilvy, a Scottish merchant, who carried on the business under his own name for the first five years with Geo. Michie as his junior partner. When Mr. Ogilvy died five years later the Michie name entered the picture for the first time, and on his death the business passed to James Michie, a nephew.

With James Michie was associated a man named Fulton, the firm at that time being known as Fulton & Michie and embracing as well a wholesale house at Front & Yonge Sts. Subsequently Mr. Fulton stayed in the wholesale business and Michie continued at King St. On the death of James Michie, Mr. Fulton retired.

Now Four Shareholders

Since 1893 the company has done business in its present building which replaced its predecessor on the same site in that year. In 1905 a company was formed of which Lt.-Col. J. Forbes Michie (who owns the controlling interest) is president. Associated with him as director is his younger brother, Charles Michie, who has been in the business for 35 years; H. J. Reeve, general manager of the company with a 47 year record of stewardship, and C. E. Stone, secretary-treasurer, who next year will celebrate 50 years of service with the Michie enterprise.

This record of longevity is carried right through the entire organization, many of the employees having records of service going back from 20 to 30 years. During the past seven years every employee has been retained on the staff.

COL. J. F. MICHIE

Secret of Success

Recently Col. J. B. Maclean wrote to congratulate his friend Col. Michie on the fine record of his company. He asked him the secret of his success. This is what Col. Michie replied:

"If there is a 'secret,' it is probably to be found in the evidence that the only enduring business organizations are those which have been built upon quality, both of goods and service; the maintenance of which is aided by the influence of a tradition after a period of years, which is ever present as a guide and mentor, successful as such only as it is faithfully adhered to. This, and the capacity for taking infinite pains to earn and to deserve the confidence of customers, and to inspire the loyalty of a competent staff, is about all we know of any 'secret' in the conduct of a successful business."

One small outward evidence of the Michie tradition for "taking infinite pains" is the old English custom of tying a loop on each parcel so that it may be carried more easily. Modern transportation methods have largely eliminated the need for customers carrying parcels in this way but the Michie custom—now a strong habit— remains.

One unfortunate feature of the Michie business is the lack of heirs among the present owners to carry on the firm's traditions. What will happen when the present generation completes its work is therefore a matter which the fates have yet to decide. Meanwhile the Michie traditions are ones which any business which wishes to achieve longevity and honorable distinction in its field might well emulate.

Business Recovery Shows Few Gains in September

Financial Post Index But Slightly Higher — Iron and Steel Plants Active — Bond Prices Decline

Business operations presented no very spectacular feature in September, being overshadowed by the brilliance of the preceding month. The occurrence of five Sundays accounted in part for the drab performance for the month.

The Financial Post preliminary business index showed a minor gain to 104.4 after seasonal adjustment. In its crude form the index would have recorded appreciable decline.

Iron and Steel Gains

The excellent showing of the primary iron and steel industry indicated acceleration in the demand for industrial equipment. The output of steel ingots in September reached a new high point on the recovery and was 58 p.c. greater than in the same month of last year.

The striking feature in the economic situation during September was the pronounced decline in Dominion Government bonds. Prices averaged less than at any time since June, 1934. The constructive influence of the high level of bond prices and low long-term rates obtaining in the preceding nine months was at least temporarily removed.

Industrials averaged slightly higher on Canadian stock markets counterbalanced by the decline in utilities. Commodity prices recently advanced to a new high point on the recovery, although the extent of the rise over August was not extensive. Aside from the fundamental change in bond prices the economic situation was about maintained in September.

Comparative figures follow:

Major Canadian Economic Factors

	September, 1935	August, 1935	September, 1934	Inc. or Dec. September, 1935-1934
Financial Post business index	104.4	104.2	98.4	+6.1
Wholesale prices	72.3	71.6	71.9	+0.6
Common stock prices	93.6	94.7	83.8	+11.7
Shares traded, Montreal ... No.	273,798	318,960	185,206	+47.8
Reciprocals of Dom. bond yields	125.3	139.7	129.5	—3.2
*Bank deposits	105.9	105.3	98.0	+8.1
Mineral production:				
Copper exports ... cwt.	339,244	424,081	250,831	+35.2
Nickel exports ... cwt.	142,652	141,016	89,093	+60.1
Zinc exports ... cwt.	194,770	284,808	238,165	—18.2
Gold shipments ... fine oz.	282,292	301,312	248,292	+13.7
Silver shipments ... fine oz.	1,185,540	2,999,197	1,457,575	—18.7
Manufacturing production:				
*Flour production ... bbls.	1,161,389	992,340	1,282,214	—9.4
*Rolled oats production ... lb.	7,977,920	7,650,617	10,644,925	—25.1
Cattle slaughterings ... No.	118,320	114,184	116,511	+1.6
Hog slaughterings ... No.	176,786	175,542	178,769	—1.1
Raw cotton imports ... lb.	5,856,786	7,027,396	7,669,268	—23.6
Cotton yarn imports ... lb.	384,567	434,644	543,314	—29.2
*Leather boot and shoe prod. ... pair	1,826,595	1,488,628	1,672,013	+9.2
Newsprint production ... tons	223,892	235,573	196,172	+14.1
Steel ingot production ... tons	90,952	82,488	57,489	+58.2
Pig iron production ... tons	54,360	54,414	43,019	+26.4
Automobile production ... No.	5,323	7,692	5,579	—4.6
Petroleum imports ... gal.	127,017,748	126,729,590	118,210,821	+7.5
Crude rubber imports ... lb.	3,593,662	6,303,645	6,205,577	—42.1
Exports of planks and boards ... ft.	112,413,000	184,452,000	123,163,000	—8.7
Construction: Contracts awarded ... $	14,743,100	23,837,400	12,494,000	+18.0
Building permits ... $	3,322,026	4,293,058	2,247,784	+47.8
Railways: Carloadings ... No.	220,584	196,923	212,214	+3.9
External trade: Imports ... $	44,689,463	49,560,063	42,207,602	+5.9
Exports ... $	66,152,142	71,699,760	58,814,703	+12.5

*Preceding month.

Trading in Produce Runs into Big Figure

Cheese is Leader but Volume Falling—Butter Exports Small

Canada consumed practically all of its butter manufactured at home in 1934. Her cheese consumption at home was lower, the export business in cheese during the year amounting to 61 million pounds as compared with home consumption of under 40 million pounds. Canada's egg industry is a domestic one, exports in this field being only a fraction of the production. Canada imports Chinese eggs usually frozen but these are restricted in quantity.

For the first five months of 1935 Canada exported 189,100 pounds of butter as compared with 187,500 pounds in the same period last year.

Butter imports, although small in 1934, have varied considerably in quantity. They grew fairly heavy in 1929, 1930 and 1931 when New Zealand sold butter in the Canadian market during the season of low production. In these years, too, there was some export during the summer months. In more recent months, however, production has overtaken consumption and now a considerable export is promised.

Canadian Butter Trade

	Imports lb.	Exports lb.
1929	35,928,249	1,400,000
1930	38,606,055	1,180,000
1931	16,500,801	10,680,000
1932	879,670	3,505,000
1933	876,894	4,437,000
1934	2,602,744	428,000

While the value and volume of cheese exports has been steadily declining in recent years, this commodity is still very largely the leader in the dairy export field. Values of exports of the two lines are as follows:

Value of Exports

	Butter $	Cheese $
1920	7,457,097	39,844,883
1921	3,648,047	27,088,908
1922	8,015,395	21,636,739
1923	4,905,608	23,445,401
1924	8,000,512	22,375,787
1925	9,917,516	34,575,980
1926	3,352,829	24,857,868
1927	1,068,610	22,012,543
1928	805,055	25,467,642
1929	583,065	18,503,575
1930	410,447	13,207,021
1931	2,329,853	10,594,917
1932	656,364	8,914,705
1933	826,819	8,076,620
1934	95,039	6,025,028

Canada's cheese production last year totalled 100,765,800 pounds, 99,754,500 pounds being factory-made and 1,011,300 homemade.

The Dominion's cheese exports dropped from 142,767,545 pounds in 1920 to 61,167,800 pounds in 1934.

For the first five months of 1935 Canada exported 1,655,041 pounds of cheese as compared with 2,099,729 for the same period a year ago.

Purchases of cheese from abroad amount to about a million pounds a year, consisting chiefly of foreign types such as English, French, Swiss and Italian special makes.

The tabulated list below shows the exports and imports of cheese from 1920:

Canadian Cheese Trade

	Export	Import
1920	142,767,000	479,934
1921	137,180,000	906,008
1922	120,177,000	686,754
1923	116,201,000	1,899,522
1924	121,465,000	908,920
1925	150,742,000	10,274,338
1926	134,656,000	1,218,626
1927	110,532,000	1,720,797
1928	114,152,000	1,781,005
1929	92,946,000	2,103,724
1930	80,163,000	1,787,776
1931	84,788,000	1,446,147
1932	86,939,000	1,166,506
1933	74,168,000	967,613
1934	61,167,000	946,401

The exports of Canadian butter and cheese and their respective importing countries are shown in tabular form below. These figures are for August, 1935, only and serve to give an indication of the export markets for these commodities.

	Butter —100 Pounds—	Cheese
United Kingdom	..	62,376
United States	39	472
Bermuda	1	124
Newfoundland	186	515
Barbados	..	70
Jamaica	..	323
Trinidad; Tobago	..	245
British West Indies	53	91
British Guiana	..	49
British Honduras	4	113
British East Indies	..	1
Hong Kong	..	4
Malta	..	41
Alaska	2	..
Belgian Congo	..	..
Belgium	..	215
China	..	18
Cuba	..	12
Egypt	..	2
Japan	..	97
Panama	..	24
Phillipines	10	..
St. Pierre and Miquelon	78	4

For the first five months of 1935 Canada exported 122,107 dozen eggs, representing $28,287.

Exports of eggs from the Dominion for August are given below and indicate the export market for the small quantity of eggs which find their way out of the country.

	Eggs Dozens
United States	2,040
Newfoundland	225
British West Indies	1,200
Bermuda	13,020
Alaska	90
St. Pierre and Miquelon	240

Young Business Man Pleads For Retaining Merit System

By B. W. KEIGHTLEY,
Advertising Manager of Canadian Industries, Limited,
in recent address

The politicians are taking that period between 1919 and 1929 and hanging on the fence the hides of the men who were at the heads of our great industries, our banks, and so on, and presenting those men to the people as greedy, grasping, avaricious malefactors, who grind the faces of the poor.

Is it true? Call the roll of the business leaders you know. Are there enough of them who are thus guilty that, as a class, they can be so condemned?

And then, out of your own knowledge of the politicians, review their conduct during the boom years. Are they so above reproach? Look at the miles of rusting railway tracks, the unwanted elevators, the duplicated hotels, the overly expensive bridges.

Reward of Effort

Our people are being taught to believe that their progress will be what the Government makes it, and not what they themselves make it. The one course is regimentation, and bureaucracy, and having things done for you. The other course is free enterprise, reward of effort and doing things for yourself.

I haven't yet started to think of myself as getting old—but I find that some of my views are beginning to seem old-fashioned. I confess freely to having been brought up on Samuel Smiles, "self-help," Horatio Alger's work-hard-and-succeed fiction, and the American Magazine business success stories.

It never crossed my mind to doubt that if you worked hard enough you would succeed in the end. I saw the rich man's house and horses and cars—and I never begrudged them to him. I merely grit my teeth and resolved to work harder to get them sooner myself.

End is Communism

I am sorry for the young people who don't grow up on that doctrine. Their approach to life is apt to be wrong. They are being taught to look too far outside of themselves for help, taught to regard with resentment those men, who at the middle of long careers have earned wealth in exchange for effort and self-denial. "Share the wealth, no matter who has it or how they got it. Vote for me and we will take it away from these people and give it to you, in exchange for no other effort than casting a vote." The end of that road is confiscation and Communism and total cessation of individual effort, because there is no individual reward.

The politicians are laying awake nights thinking up new promises to get votes. The Government will do this, and that and the other thing for the people. And for every this, that, and other thing they give, they must take some corresponding liberty away.

Pillorying of Wealth

There is a grave danger that the continual pillorying of Canadian citizens who have accumulated wealth may shake the faith of the whole people in the merit system that has been responsible for whatever industrial success Canada has enjoyed. I say merit system advisedly. In the main, the merit system obtains in Canada. Advancement in every walk of business effort is based on ability and effort. Are we prepared to slow up our whole national progress by substituting some other plan than merit advancement and reward? If we do this we must be prepared for the discouragement of self-sacrifice, hard work and self discipline. The pace of the procession will slow down to match the pace of the slowest.

Will-to-Work Needed

We have, living today, Canadians in every walk of business endeavor who have become wealthy purely by reason of their own efforts, plus the opportunity that our country gave them. Their lives should be an inspiration to young men starting out on their life work. Equal opportunities await them—if they will give equal hostages to fortune.

If the work of this country is ever to get done, there must be a tremendous will-to-work on the part of its people. People must be spurred on to extra effort by extra rewards. A thousand things wait to be done—and a thousand rewards await the doing of them. The way of enterprise must be made easier, not harder. Remove the crushing load of taxation that hampers every business today, and thousands of jobs will be made. Since we cannot well get out from under what is there, in Heaven's name let us not propose new boons to the electorate that will crush business further into the mire and in so doing, stop thousands of citizens from earning their living, instead of living, via relief, on charity.

We are, and must be a pioneer nation for many years to come. We are not ready to accept the type of social legislation that has been evolved to meet the needs of wholly industrialized and thickly settled countries. Several generations of adventurous young people must tackle the frontier, roll it back as their grandfathers did, finding reward in homes and material security in exchange for hard work and hazard.

CLOSING OF SUEZ MIGHT SHUT OUT CHRISTMAS FOODS

Dates, Figs and Spices Come by Threatened Route

Food importers are uneasy in view of the war situation around the Suez Canal.

For instance, there may be no Christmas delicacies such as dates. These come down the Persian Gulf, up through the Red Sea and Suez Canal into the Mediterranean. But if the Suez should be closed suddenly the regular routine of shipments would be much disturbed. They would have to come by the Cape of Good Hope and would arrive too late for Christmas plum pudding and table use.

There is not so much worry over figs. Most of these come through the Dardanelles and it is not in the "war" zone—not yet any way. In fact some shipments have already arrived. But tea from India and Ceylon comes up the Red Sea; immense quantities of raw coffee come from Kenya in East Africa the same way. So do spices from the far East.

PREDICTS RETURN FARM MORTGAGES AS INVESTMENT

Life Insurance Official Urges Need of Proper Amortization

Prediction that it is only a question of time before farm mortgage loans will regain their supremacy as one of the principal sources of investment was made before the annual convention of the Mortgage Bankers Association of America, Indiana, by Col. C. B. Robbins, manager and general counsel of the American Life Convention.

Col. Robbins predicted that the country was on the eve of a boom in farm land and that there would shortly be witnessed a return of the business of farm loaning to private lending agencies "where it belongs" and no longer a governmental function. He urged that all mortgages contain amortization provisions and that the rate be low enough to meet governmental competition and thus "make farm ownership attractive."

"Except for obstructing laws," said Col. Robbins, "there is no doubt that capital again would seek investment in farm mortgages the most stable of all securities. When government meddling stops and investors are given the proper security guaranteed by the laws of the land, capital will be placed on the security of farms."

Striking figures were given to show the change in farm loan investment practices of life insurance companies in the last eight years. On Dec. 31, 1927, total of farm loans carried by them was almost $2 billions whereas on July 31, 1935, the total had shrunk to $843 millions. Percentage of total investments of money made annually by life companies in farm loans dropped from 11.1 in 1928 to 1.5 per cent in May, 1935, a decrease that has continued steadily to the present time. To offset this, total real estate owned by the life companies increased from $255 millions in 1927 to $1,600 millions by Dec. 31, 1934.

Regret was expressed that the principle of amortization of farm loans so thoroughly recognized in loans on buildings was not long ago applied much more widely to farm loans. "In the first quarter of the century, farm land as a whole was able to pay the taxes and fixed charges of interest and repairs and no thought was given by lenders to amortization. Had this principle been borne in mind, and all farm loans contained amortization clauses providing for steady reductions in principal year by year, the land during the times of normal conditions could have paid the amount necessary on the principal as well as the interest charge and when trouble came the mortgage could have been reduced to a point where foreclosure would not have been necessary.

"It is to be hoped that in future farm loans, the principal of amortization will be thoroughly recognized. The fallacy of non-reduction of principal has been thoroughly shown in the last ten years."

UNITED KINGDOM BUTTER MARKET ADVANCE NOTED

Shortage in Germany Bolsters Australian and New Zealand Trade

A further appreciable advance has taken place in the United Kingdom butter market, states Empire Dairies Ltd., in regard to mid-October conditions. An acute shortage of butter has again developed in Germany and the German Government has permitted purchases of foreign butter on a larger scale. These purchases have been made both for direct shipment from continental producing countries and also for reshipment from London to Hamburg.

In addition, the reports of production in Australia and New Zealand revealed a continued heavy decrease compared with last year and on active buying prices, advanced sharply. Today New Zealand and Australian butter in first hands is practically cleared, nominal prices being New Zealand finest $25, first grades $24.50, with Australian kangaroos and first grades nominally 25 cents below these prices. Many of the larger multiple shops will advance their retail price for Empire butter to 30 cents as from the beginning of next week and it remains to be seen how consumption will be affected by the higher retail level.

The Danish market has also improved, but not to the same extent as Empire butters, closing f.o.b. quotations being around $22.25. Swedish butter this week has advanced to $20.50, f.o.b. There has again been an excellent demand for Siberian and Baltic butters, supplies of which have been diminished by the increased demand from Germany, and at the close sellers are asking up to $24 for best quality Siberian, with Baltic butters quoted around $23.50 landed, duty paid.

There have been several offers of Canadian butter on c.i.f. terms during the week, quotations today having reached $23, c.i.f.

The total stock of all butters in cold store in this country at September 28 was declared at 20,800 tons compared with 34,900 tons at the same date last year.

Cheese Demand Slow

The demand for New Zealand cheese has not been active this week but prices have advanced slightly, both white and colored at the close being quoted $12.40, some sellers asking up to $12.50.

Spot Canadian cheese is quoted from $12 to $12.75, while offers of Belleville Brockville's September make have advanced to $12.75 to $13, c.i.f.

Gradings of cheese in New Zealand for September reached a total of 2,880 tons, this being a reduction of 33 per cent against gradings during the same month last year. Stocks of cheese in New Zealand at the end of September awaiting shipment were declared at 4,600 tons against 4,000 tons a year ago.

The firmer tendency of last weekend was reflected by a general appreciation in quotations at the opening of this week's market. Although it has been possible to maintain values, c.i.f. holders and resellers have shaded prices, consequently the demand has been slow at the advance. Stocks are well within limits, however, and the market rules firm.

Largest Tobacco Crop in Ont.

The 1935 flue tobacco crop will go on record as one of the brightest colored as well as one of the largest crops ever produced in the province, according to a report of the Ontario Department of Agriculture. From the standpoint of quality the crop is the best since 1932. Burley tobacco is curing up bright in color and comparatively thin, but appears to possess better body than the flue crop. The dark tobacco is also curing up well and shows good quality.

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Hydro-Quebec Power Contracts Now Figure In Gigantic Poker Game

Quebec, Ottawa Governments Enter With View to Conciliation

HEPBURN ULTIMATUM

"Accept Less or Get Nothing," Says Premier Hepburn — Uses Power of Cancellation as Club

Up at Queen's Park, Toronto, these days half a dozen men are playing poker with hundreds of millions of dollars in the pot. New contracts for Quebec power must some day be written with Ontario Hydro. The questions at issue are when, for how much, and at what rate?

Bondholders of Quebec Power companies with contracts to supply 731,000 horsepower to the Ontario Hydro-Electric Power Commission alone have $190 millions at stake. The Ontario government and the commission together claim to be fighting to prevent the province paying some $350 millions over the contract period for power which in large part may not be needed for a long time.

The representatives of Gatineau Power, MacLaren Power, Beauharnois Power and Ottawa Valley Power both for themselves and for the bondholders have as their strong card the contention that contracts should be held sacred by honest men and governments. They have another card in Premier Taschereau who has sent two cabinet ministers to represent him, Hon. Honore Mercier, Minister of Lands and Forests, and Hon. C. J. Arcand, Minister of Labor, who will argue for equal justice to all companies if any re-writing of contracts is to occur.

Threat and Counter-Threat

Hon. Mitchell F. Hepburn, Premier of Ontario, his attorney-general, Arthur Roebuck the chairman of the Hydro-Electric Commission, T. Stewart Lyon and the other commissioner, Hon. T. B. McQuesten, have as their strong card the bill passed at the last meeting of the Ontario legislature which declares null and void and illegal all the contracts in question. It has not been proclaimed as yet but they firmly assert that it will be. Apparently the only side on which they are open to reason is the re-writing of contracts for much smaller amounts than are being accepted at present and possibly at lower rates.

Not officially, but through the newspapers, Ontario has been told that cancellation of contracts might easily mean the forbidding of any export of Quebec power to Ontario. It is stated that that would mean the placing of Eastern Ontario in darkness and that in a short time the Niagara System itself will need more power which must come from Quebec. Realizing that Ontario is vulnerable in these directions, the provincial government delayed proclamation of the nullifying act until it could arrange for 60-cycle power at Chats Falls which is a development of the Hydro-Electric Commission jointly with Ottawa Valley Power. That has been arranged but now Premier Hepburn is being told quite roundly, but still unofficially, that the 20 sluice gates at Chats Falls development on the Quebec side could be opened and the development drained of water. And therefore again by direct act Quebec could compass it that Eastern Ontario would be in darkness

"All bluff!" says Premier Hepburn. "Why, that is unbelievable. It would be sabotage. Premier Taschereau would never allow that. And if he did we would appeal to Ottawa."

Ontario's Power Needs

Again Premier Hepburn says that Hydro officials tell him they have all the power they need. That is true on a very narrow interpretation of present power needs. The Ontario plan is really to declare the contracts null and void by proclamation of the Act and then to sit back and wait for the Quebec power companies to come to terms. The government thinks, and the Commission thinks, that in this way it need only take power as a market develops for it and at a price much lower than $15. It is determined not to take the whole 731,000 horsepower. It is already paying for 525,000 25-cycle horsepower and will not build another transmission line at a cost of $18 or $20 millions to bring more power in, especially when this power will not be saleable for many years. It does not even want at once more than a part of what the present transmission line will carry.

Graustein Willing

Left to itself and without intervention the province would probably negotiate all its power needs for years from Gatineau Power Co. A. R. Graustein, head man of the powerful International Paper group, would be willing because he has a lot of other fish to fry with the government and because he has always played a lone hand in negotiations. He says as well that Gatineau was three years ahead of the others. But Premier Taschereau is adamant on this point. He tells Premier Hepburn courteously but firmly that the interests of Quebec demand equal treatment of the companies, or so it is asserted.

It is probable that the whole matter may be long drawn out. Contracts can be ended quickly but the attitude of Quebec and of the power companies to new contracts along lines desired by the Ontario government may be slow in developing. It will be clearer when companies make their first tentative proposals. The Ontario authorities believe they have the whip hand. The power is 25-cycle power. It was developed by all these companies for Ontario Hydro-Electric Power Commission alone, the one great authority on this continent which uses 25-cycle power. The change-over to 60-cycle power to sell it elsewhere can only be accomplished at very great expense, too great for financing under present conditions. Therefore, as the Hydro authorities see it, sooner or later the Commission can pick and choose the times when it will buy this power at satisfactory rates and the companies will be glad sellers when the opportunity arrives if it does.

Ask Equality With Quebec

"We want to be on an even basis with Quebec when new industries are looking for a place to locate in," said one Ontario government official. "While we let ourselves be tied up to these contracts Quebec companies can provide power at much lower figures than we can. We will only take this power at prices which are strictly competitive."

This indicates that, though Ontario authories are bent on cancelling present contracts, they are open to dicker and would not be averse if everybody came forward at once. Its present purchased power from Quebec comes from the following developments: Gatineau, 260,000 horsepower; Beauharnois, 129,000 horsepower; MacLaren Quebec Power Co., 40,000 horsepower; and Ottawa Valley Power, 96,000 horsepower. Amounts already refused or to be refused as they come due are as follows: 27,000 horsepower tendered by MacLaren on July 1, 1935; 25,000 horsepower tendered by MacLaren on Oct. 1, 1935; 67,000 horsepower tendered by Beauharnois Oct. 1, 1935; 6,000 horsepower tendered by Gatineau on Oct. 1, 1935; 33,000 horsepower due from MacLaren July 1, 1936; 54,000 horsepower due from Beauharnois Oct. 1, 1936; 25,000 horsepower due from MacLaren Oct. 1, 1936.

These amounts are definitely not wanted and part of the 525,000 horsepower will be refused until it is necessary as a reserve. The whole amount of 731,000 horsepower would cost the province nearly $11 millions annually under present arrangement. It costs $15 per horsepower at the border and about $20 delivered in Toronto. Premier Hepburn states that in one case they are buying 173,000 horsepower at a cost of $20 and delivering it at $3.50 rather than get nothing at all for it.

R. A. C. Henry, general manager of Beauharnois Light, Heat & Power Co., and G. H. Montgomery, K.C., represent Beauharnois. Gordon Gale, president of Gatineau Power Co. represents his company with Mr. Graustein somewhere in the offing. Albert MacLaren, of Buckingham, Que., represents his company.

Hydro Needs More Power

Can the Hydro-Electric Power Commission of Ontario get along without purchasing any power from the four Quebec companies, contracts with which are to be cancelled?

T. Stewart Lyon, chairman of the commission, claims that it can. Indications are, however, that some purchases may have to be made even before the end of the year.

With the peak load of primary power rising rapidly it appears that before 1935 closes the commission might find itself short for all needs if the present contracts are cancelled. Assuming that there is the same proportional increase in demand for power in December as there was in September the demand for primary power in the Niagara and Eastern Ontario systems will be 69,000 horsepower in excess of the generating capacity of commission plants.

Under the impetus of improving industrial conditions the peak power load of the Ontario Hydro-Electric Commission has been in the ascendant since early in 1933. Last year the total primary and secondary load was the highest in history. In the current year there has been a marked advance month after month.

In September primary power maximum 20-minute peak for all systems was 6.12 per cent higher than in August and 9.2 per cent above the corresponding month of 1934. The load of primary and secondary power combined was 12.5 per cent higher than in August and 9.6 per cent higher than in September, 1934.

For the Niagara system the increase in primary load amounted to 7.7 per cent over September of last year and in the Eastern Ontario System 4.6 per cent. On the basis of this increase The Financial Post estimates that the primary load for these two systems in December, which is the peak month of the year, may be 1,030,600 horsepower for the Niagara system and 101,300 horsepower for the Eastern Ontario system.

The rated capacity of Hydro's generating plants in the Niagara system, as shown by the annual report for 1934, is one million horsepower and in the Eastern Ontario system 62,800 horsepower. Outside of the contracts which are in dispute Hydro has purchase power commitments in these two systems of 41,000 horsepower. If the estimate for December is correct this will leave 28,000 horsepower to be purchased. This would leave no surplus power.

Cancellation of the Quebec contracts will leave little or no secondary power available. The Financial Post estimates that the total secondary and primary load for the Niagara and eastern systems in December may be 350,000 horsepower in excess of rated capacity of the generating plants. It could not meet the indicated demand for secondary power without a substantial block of power from an outside source.

It appears certain that although the present contracts may be cancelled, new ones will have to be made. Industry is just beginning to return to normal. With each further improvement in production there will be an additional demand for power which will have to be met. While a new peak will be reached this year in the primary load there will be further advances and it is possible that before many years have gone Hydro will require all power it is now purchasing from the Quebec companies, and perhaps more. If the supply of secondary power is cut off then the primary load will show an increase.

Weldon Proposal Not Liked

Several hundred bondholders of Gatineau Power Co., Beauharnois Power Corp., Ottawa Valley Power Co., and MacLaren Quebec Power Co. at a meeting on October 16 in Toronto adopted a resolution proposing a new issue to refund existing bonds at an interest rate of 3.27 per cent.

This proposal introduced by I. E. Weldon, K.C., who called the bondholders together, carries with it the further suggestion that the province of Ontario should guarantee the new bonds. He claimed that this would give a saving of 2 per cent on present rates, or $3.8 millions in all, to the various power companies which could then afford to deliver power to the Ontario Hydro-Electric Power Commission at $10.22 per horsepower.

Mr. Weldon thought that with this reduction in interest the provincial government could afford to accept full deliveries under present contracts and the extra power could be distributed to Ontario farmers at $4 per horse power.

The following committee was appointed at the meeting: J. H. Lumbers, chairman, I. E. Weldon, K.C., secretary, L. J. Campbell, Miss M. P. Hyndman, A. J. MacLaren, A. B. Buckworth, M. McDonald, Clive Thompson, Acton Burrows, D. H. McDougall, J. L. Watt, all of Toronto; E. V. Tillson, Tillsonburg; J. W. Shier, Picton; L. L. McEllicott, Preston; Allan J. Neill, Brantford; Walter Quantz, Richmond Hill; H. W. Ackerman, Belleville; J. C. Martin, Hamilton; R. G. R. MacKenzie, K.C., Petrolia; S. Jeffrey, Port Perry.

It is understood that the power companies have been asked to finance the expenses of this committee.

Premier Hepburn rejects the Weldon proposal as untenable. He says that it would capitalize Quebec power at $250 per horsepower whereas the Commission can construct new capacity at $100 per horsepower.

Quebec Benefits By Hydro Contracts

From Our Own Correspondent

MONTREAL.—Loss of the Ontario Hydro business by the Quebec power companies would not only be a serious blow to the operators, but would result in the loss of a substantial amount of revenue to the treasury of the Province of Quebec.

Complete cancellation of all contracts entered into by Hydro with the Quebec companies would mean a loss of revenue as follows:

	Payments to Government
Gatineau	$ 38,000
Maclaren-Quebec	5,000
Ottawa Valley	63,000
Beauharnois	130,000
Total	236,000

(NOTE: The foregoing figures represent the actual payments made by the companies mentioned to the Quebec Government on account of royalties, etc., during 1934.)

If the full amount of power were taken by 1937 as called for under contract, payments by Maclaren-Quebec would be increased to $8,000 and by Beauharnois to $232,000, making a total annual payment for all companies, or loss to the Province of Quebec, of $341,000.

Hydro-Quebec Power

Ontario Hydro's Power Resources

	*Primary max. 20-min. peak h.p. Dec., 1935	*Primary & secondary max. 20-min. peak h.p. Dec., 1935	Maximum normal plant capacity h.p.	•Capacity plus purchases h.p.	Difference between supply & primary load h.p.†
Niagara	1,030,600	1,285,600	1,000,000	1,020,000	—10,600
Eastern	101,300	127,700	62,800	83,800	—17,500
Georgian Bay	31,642	27,298	26,100	26,100	—5,542
Thunder Bay	72,406	148,243	123,500	123,500	+51,094
North. Ontario	68,737	177,744	135,300	135,950	+67,213
Total	1,304,685	1,766,585	1,347,700	1,389,350	+84,665

*Percentage increase of Sept., 1935, over Sept., 1934, is applied to Dec., 1934, figures to get estimate for Dec., 1935.

•Does not include purchases being made from Gatineau, Ottawa Valley, Beauharnois and Maclaren-Quebec.

†This does not take into consideration the 15 per cent minimum reserve which it would be wise to have above 20-minute maximum peak.

ONTARIO HYDRO POWER LOAD UP, INCLUDES PRIMARY

September Primary Load is 6.12 Per Cent Above August

Month after month in the current year, peak power load of the Hydro-Electric Power Commission of Ontario has been rising. September was no exception, primary power maximum 20-minute peak for all systems being 6.12 per cent higher than in August and 9.2 per cent above the corresponding month of 1934.

Load of secondary power increased slightly in September, the total primary and secondary load increasing more than did the primary load alone. The primary and secondary load of all systems was 12.5 per cent higher than in August and 9.6 per cent higher than in September, 1934.

Primary Load Up

The primary load of each of the systems was higher than in September, 1934. Largest percentage increase was shown by the Thunder Bay and northern Ontario properties due to greater activity in the mining industry. In eastern Ontario, secondary load was lower, total secondary and primary load showing a decline of 0.1 per cent, while primary load was 4.6 per cent higher.

Purchase power commitments for September are shown at 608,705 h.p. The following table gives the comparison of loads for the five systems:

Primary Load
Max. 20-min. Peak h.p.

Systems:	Sept. 1935	Sept. 1934	% Increase
Niagara	888,204	824,397	+ 7.7
Eastern Ontario	96,877	92,580	+ 4.6
Georgian Bay	25,261	24,815	+ 1.8
Thunder Bay	64,202	53,351	+20.3
Northern Ont. properties	63,528	47,268	+34.4
Total of all systems	1,138,072	1,042,411	+ 9.2
Primary and Secondary Loads			
Niagara	1,219,303	1,143,164	+ 6.7
Eastern Ont.	123,003	123,097	— .1
Georgian Bay	25,261	24,815	+ 1.8
Thunder Bay	105,898	87,801	+20.6
Northern Ont. Properties	124,520	79,440	+56.7
Total of all systems	1,597,985	1,458,317	+ 9.6

Ontario Hydro Power is Equal To Present Need

From Our Own Correspondent

MONTREAL. — Ontario Hydro Electric Power Commission can get along without the power now being delivered under contract by the four Quebec power companies. This is the opinion here of a number of power authorities who have an intimate knowledge of the power resources and requirements of the Niagara district. The opinion is equally emphatic that under certain conditions the Commission can take care of demand—except secondary and "at will" requirements—for as long as two years. After then Ontario Hydro will be in a "pretty pickle."

Last August power requirements of Ontario Hydro totalled 1,060,724 h.p., of which 828,000 represented firm power, the balance being secondary power or energy sold to paper companies and others "at will." To meet these requirements the Commission has a potential power supply in the Niagara District of 1,086,000 h.p. But not all of this is available. Due to restricted water flow and the conversion of two units at Chats Falls to 60 cycle power, the Commission can only count on 952,000 h.p.

This would be sufficient to take care of the primary power requirements, but would not cover secondary or off-peak sales. Any appreciable upturn in business would result in taking up the slack and creating a power shortage in the Niagara district.

Ed. Note.—In another article it is shown that if this estimate were based on December instead of August the adequacy of Commission generating capacity is in doubt.

Hydro May Buy Back Power From Niagara Hudson Co.

From Our Own Correspondent

MONTREAL. — Principals of the Niagara-Hudson Power Co. have been in conference with T. Stewart Lyons of the Ontario Hydro-Electric Power Commission and it is said that an arrangement has been made that in the event of the outright cancellation of the Quebec Power companies' contracts the Commission will be able to draw on Niagara-Hudson for 50,000 to 60,000 h.p. of firm power and the promise of an additional 50,000 h.p. if needed.

For many years Ontario Hydro has been selling firm and off-peak power to Niagara-Hudson Power Co. If Premier Hepburn carries out the recommendation made by Mr. Lyons to cancel the Quebec contracts, the Commission will have need of all of its available power resources. This means that secondary power and "at will" power will be shut off, in order to make available a larger supply for firm power contracts.

Buy Back Power

Officials of Niagara-Hudson have been watching the situation as they have a surplus of power which they would be only too glad to sell back to Ontario Hydro. Before Mr. Lyons made his recommendation to Premier Hepburn, he is understood to have consulted with representatives of Niagara-Hudson Power Co. and made a tentative agreement to buy back the power now sold under firm contract.

Interests here closely identified with the Ontario-Quebec power companies situation are at a loss to foresee the outcome of the present troubles. They can hardly conceive of the Ontario government going the length of re-purchasing firm power now being sold under contract to Niagara-Hudson, thus cutting the throats of the Quebec companies to satisfy the political ambitions of Ontario's Premier. But the whole affair is of such an extraordinary character that they do not close their eyes to such a possibility.

Under present circumstances Ontario Hydro can scrape through without the power purchased from the Quebec companies.

In view of the steady rise in the demand for firm power in the Niagara district, observers say that Hydro could not hang on for more than a few months before there would be an acute shortage of primary power. But if Ontario Hydro has made an arrangement with Niagara-Hudson Power Co. to buy back power now being delivered, the Commission could possibly hold out for 18 months or two years by which time there would be a crisis in Ontario's power situation.

Power Production

Central electric stations in Canada produced 1,851,130,000 kilowatt hours during August, as against 1,676,865,000 kilowatt hours in August, 1934, and 1,791,544,000 kilowatt hours in July, 1935. Exports to the United States at 130,301,000 kilowatt hours were the heaviest since February, 1931, and were 12.3 per cent over the August, 1934 exports.

Ontario Power Policy Hits Many Investors

Loss of Hydro Business Would Have Widespread Repercussions

From Our Own Correspondent

MONTREAL.—Serious repercussions are expected to develop whether the Ontario Government cancels the contracts entered into by Ontario Hydro with the Quebec power companies or re-writes new contracts for smaller deliveries. The public has bought several hundred million dollars worth of securities which until of late have been given a good investment rating due to the contracts held with Ontario Hydro.

Since the initial attack on the contracts, made by Attorney-General Roebuck last spring, the value of these securities has depreciated many millions of dollars.

If the Ontario Government cancels the contracts and does not make new contracts, not only will the companies directly involved be seriously hit financially, but a number of others will be indirectly affected. It will be necessary to forego interest and dividend payments on a number of securities. The cutting off of these payments will be felt by thousands of small investors across the country, insurance companies, trust companies, institutions, and others who have invested in the power companies with a view to safety of principal and income.

Gatineau Heaviest Involved

What the cancellation of contracts and complete loss of business would mean to the companies concerned and their security holders is set forth briefly hereunder:

Gatineau Power Co. derives about one-half of its income from Ontario Hydro and the balance through sales to Canadian International Paper, E. B. Eddy Co., Ottawa Electric, Canada Cement, Gatineau Light and other smaller customers. Without the Ontario Hydro revenue the company could continue to meet operating charges and interest on its first mortgage bonds, but would not be in a position to pay interest on its debentures, nor anything in the way of dividends to Canadian Hydro Electric Corp.

Canadian Hydro Vulnerable

Canadian Hydro Electric Corp.'s income is almost solely from Gatineau Power Co. The only securities which this company has in the hands of the public is an issue of first preferred stock. With no income from Gatineau Power the company would have to defer dividends not only on its first preferred stock, but on the balance of its capital stock owned by International Hydro Electric System.

Inter. Hydro Concerned

International Hydro Electric System is controlled by International Paper and Power Co. This company has two principal sources of revenue, New England Power Association and Canadian Hydro Electric Corp. Several months ago New England had to forego dividend payments. This made it necessary for International Hydro to pass dividends on its own stock. Its principal source of revenue now is Canadian Hydro. If the latter were to defer payments, International would in all probability have to default on its senior obligations.

Ottawa Valley Weak

Ottawa Valley Power Co. has only one customer—Ontario Hydro. If this business were lost the company would not be able to pay interest on its first mortgage bonds or junior securities held by Calgary Power Co.

Calgary Power Affected

Calgary Power Co. owns 85 per cent of the shares and securities of Ottawa Valley Power other than the first mortgage bonds. This represented an investment of around $2 millions which was later funded. Last year Calgary Power received a revenue of more than $250,000 from its holdings in Ottawa Valley Power. If this revenue were lost the company would not be in a position to continue paying dividends on its common stock and even the payment on the preferred shares might be affected.

MacLaren-Quebec Position

MacLaren-Quebec Power sold $18 millions of its bonds to the public. In addition to Ontario Hydro, the company supplies power to the James MacLaren Co. Without the Hydro revenue, it is doubtful if the James MacLaren Co. could carry the load, so that default on the first mortgage bonds is a possibility.

Beauharnois Has Problem

Beauharnois Power Corp. has outstanding only one bond issue held by the public, but interest is deferred under the plan of reorganization until April 1, 1938. The operating company—Beauharnois Light, Heat and Power Co.—has outstanding a large block of bonds upon which interest is being paid. This company has only two customers: Ontario Hydro and Montreal Power. Under full contract deliveries to Montreal Power, the operating company may be able to pay interest charges, but certainly there would be little available for Beauharnois Power Corp. bonds in 1938.

Montreal Power has a very heavy financial stake in this enterprise and might go to the length of protecting it through making some arrangements with the bondholders until a market was found for the surplus power that would be created in the event of cancellation of the Ontario Hydro contract.

Large Sum Affected

Following is a list of securities that would be affected directly and indirectly in the event that the Ontario Hydro refuses to continue business with the Quebec companies:

Company:	Par Value of Security
Directly	
Beauharnois:	
5½% mortgage bonds, due 1973	$31,621,630
5% collateral bonds, due 1973	36,000,000
Common stock, no par value	762,000 shs.
Gatineau:	
5% mtge. bonds due 1956	69,590,500
6% debentures, due 1941	10,112,500
6% debs., B, due 1941	7,500,000
6% cum. preferred	25,000,000
Common stock	2,500,000
Canadian Hydro:	
6% 1st preferred	12,500,000
6% 2nd preferred	25,000,000
Common shares, n. p. v.	1,000,000 shs.
Ottawa Valley:	
5½% mtge. bonds due 1970	9,000,000
6% debentures	1,500,000
Common stock, n. p. v.	50,000 shs.
Maclaren-Quebec:	
5½% mtge. bonds	18,000,000
Total	$248,324,630
Indirectly	
Calgary Power:	
6% cum. preferred	6,000,000
Common shares	3,500,000
Inter. Hydro-Electric	....

New Industries

John East Iron Works, Saskatoon, Sask., will invest about $15,000 in new machinery and buildings, according to M. A. East, manager.

Grand-Mère Knitting Co., Grand-Mère, Que., has opened a new department in its factory, known as the "Crochet-Craft," where hand knitting of berets, scarfs and mufflers will take place.

International Utilities Increases Pref. Dividend

International Utilities Corp., utility holding company of New York, has announced an increase in dividends on its prior preferred stock, payable Nov. 1 to shareholders of record Oct. 23.

On the $7 prior preferred stock a declaration of $1.25 per share has been made, indicating an annual rate to $5 per share. Since Feb. 1, 1934, dividends on this stock have been at the rate of $3.50 per annum, or 87¼ cents per quarter. With the payment of $1.25 per share on Nov. 1 this stock will be in arrears to the extent of $6.62½ per share.

On the $3.50 prior preferred stock the dividend has been increased from 43¾ cents per share quarterly to 62½ cents. Dividends on this stock were reduced to half rate on Feb. 1, 1934. Dividends on this stock, after payment of 62¼ cents per share on Nov. 1, will be $3.06¼ in arrears.

Public Utility Earnings

Canada Northern Power
September

	1935 $	1934 $
Operating revenue	373,117	357,716
Operating expenses	141,308	128,759
Net revenue	231,809	228,958
9 Mos. ended Sept.:		
Operating revenue	3,272,458	3,051,273
Operating expenses	1,220,357	1,046,038
Net revenue	2,052,101	2,005,235

Brazilian Traction

September:	1935 $	1934 $	Increase $
Gross earn.	2,493,316	2,677,724	*184,408
Oper exp.	1,163,978	1,242,554	*78,576
Net earn.	1,329,338	1,435,170	*105,832
Nine Months:			
Gross earn.	22,833,491	22,510,057	323,444
Net earn.	12,301,936	11,697,123	604,813

*Decrease.

GATINEAU POWER EARNINGS TO DATE WELL MAINTAINED

Interim Report Reflects Few Changes From Returns in 1934

From Our Own Correspondent

MONTREAL. — Gatineau Power Co.'s consolidated statement for the quarter ended June 30 last, shows much the same income as for the corresponding period in 1934.

There were no material changes in contract deliveries of power during the period, so that revenue remains practically unchanged. The refusal of the Ontario Government to take further deliveries of power did not occur until the third quarter, and even this factor is not likely to make any difference in the income report, except that revenue would have been higher in the event of the Ontario Government taking the additional power.

Particulars of income account for the second quarter of 1935 together with comparative figures for the same period in 1934 follow:

Quarter Ended June 30

	1935 $	1934 $
Oper. revenue & other income	2,351,084	2,375,594
Profit on exchange	42	......
Less on exchange	......	2,079
Gross revenue	2,351,126	2,373,515
Net revenue	2,047,483	2,084,326
Int. on bonds & prior liens	870,339	876,926
Balance	1,177,144	1,207,400
Int. on debentures	260,817	267,255
Other int., amort. of disc., div. on pref. stock of sub.	173,497	169,228
Deprec. & amort. storage works	164,133	165,212
Balance	578,697	605,705

Income Holds Up

During the fiscal year ended June 30 last, Gatineau Power's consolidated operating revenue and other income totalled nearly $9.3 millions, or a fraction less than in the preceding 12 months. Net revenue before interest, depreciation, etc., was about $86,000 less and after providing for all senior charges, there was a balance before dividends of $2.1 millions or around $36,000 less than in the 1934 fiscal period.

Comparative figures follow:

Twelve Months Ended June 30

	1935 $	1934 $
Oper. revenue & other income	9,272,322	9,286,610
Loss on exchange	34,534	51,876
Gross revenue	9,237,788	9,234,734
Net revenue	7,989,832	8,075,987
Int. on bonds & prior liens	3,491,782	3,512,732
Balance	4,498,050	4,563,255
Int. on debentures	1,055,533	1,077,698
Other int., amort. of disc., div. on pref. stock of sub.	686,501	693,878
Deprec. & amort. storage works	646,854	644,988
Balance	2,109,162	2,145,691

"Can't Do Anything"

Premier Taschereau Says Hepburn's Mind Made Up and Quebec Can Do Little to Help Power Companies

From Our Own Correspondent

MONTREAL.—"Premier Hepburn has apparently made up his mind and there is nothing we can do about it," said Premier L. A. Taschereau to The Financial Post when asked if the Quebec Government would do anything to protect the interests of the four Quebec power companies whose contracts to supply power to Ontario Hydro are now threatened with cancellation by the Ontario Government. "I do believe," he continued, "that Hepburn will carry out his announced policy of cancelling the contracts and will then renew them on new terms."

Two representatives of the Quebec cabinet attended the conference held this week between the power companies and the Ontario Government. So far as could be learned they had no definite instructions and held only a watching brief. The Government of this province is naturally concerned over the trend of developments, but there is little that it can do in a tangible way to help out the companies concerned.

"So far the four companies have acted together in this matter, but if one were to make a new contract independently of the others, would the Quebec Government be able to impose any restrictions on the export of power to Ontario," Mr. Taschereau was asked.

"We cannot do very much," replied the premier. "Under the B.N.A. Act the rights of the provinces are clearly defined and we cannot discriminate against any other province in the matter of inter-provincial trade."

Would Permit Export of Power

For several years the Quebec Government has been a staunch supporter of the policy of prohibiting exports of power from the province to the United States. The attitude has been that with abundant resources of cheap water power, industries should settle within the province in order to take advantage of the power. By permitting exports the province would lose the full advantage of its power resources.

In reply to a question as to what attitude the Government would take in the event of a surplus being created in Quebec through cancellation of the contracts, Mr. Taschereau said:

"There are many thousands of investors interested in the four companies and we must do what we can to protect them. We will allow the export of power to the United States for a limited period if a market can be found in order to take care of the surplus power that may be created by the cancellation of contracts."

American Winter Wheat Seeding is Satisfactory

Ploughing and seeding of winter wheat in the United States for the 1936 crop is progressing satisfactorily, the Western Grain Co. of Winnipeg indicates. Increased acreage is foreseen.

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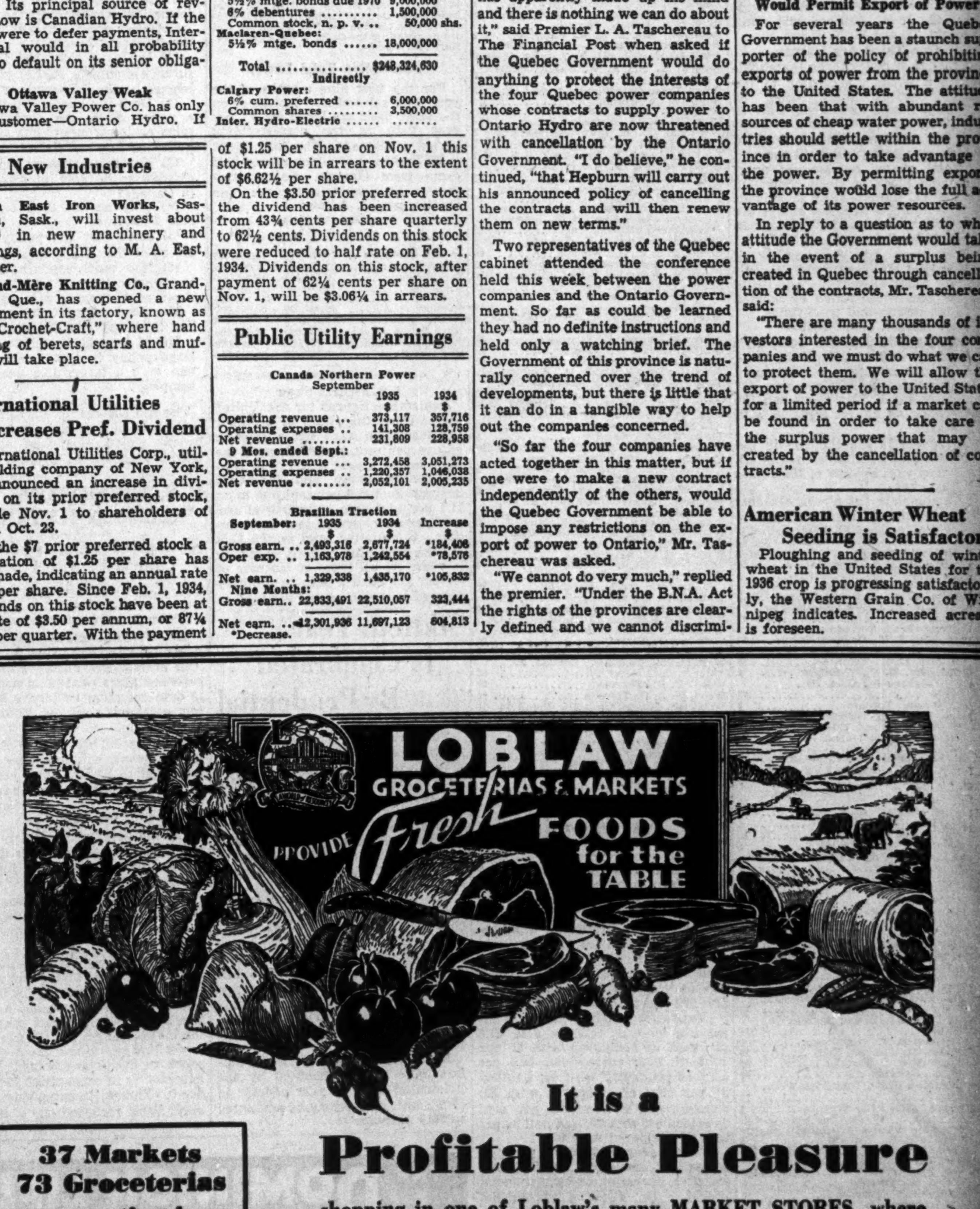

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LOBLAW GROCETERIAS CO. Limited

Who Owns Our Life Companies? 2.

Canada Life

Large Block of Stock Held By Central Canada Loan—Has British Shareholders

There are something under 200 shareholders of Canada Life Assurance Co. according to a special analysis by The Financial Post of latest available returns.

The capital of this company is $1,000,000 fully paid up, and there is a shareholders' surplus of $700,000. The bulk of the assets of this company, which amount to $242,000,000, is therefore owned by the policyholders, and their interests are looked after by representation on the board of directors, five of whom are elected directly by the policyholders themselves.

Central Canada Holds 56 Per Cent

Chief reason for the relatively small number of shareholders is perhaps the fact that 56 per cent of the company's entire capital stock is owned and controlled by Central Canada Loan & Savings Co.

These holdings were acquired by the Central Canada Loan and Savings Company some years ago and at that time represented the holdings of the Cox interests. The Central Canada Loan & Savings Co. has now retired from active participation in the banking and mortgage field, and operates largely as an investment company. It is our understanding that it no longer represents entirely the holdings of a small group but that in recent years it has become representative of a larger circle. The holdings of the Central Canada of Canada Life amount to 5,611 shares of a total outstanding capital of 10,000 shares

Important Names

Many important Canadian family names appear in the shareholder list. For example, the Hendrie family, of Hamilton who have long been important shareholders and whose holdings are now split up into some 11 different groups, all but two of which are held in trust. Total holdings of the family amount to 160 shares.

Another important group also from the Hamilton area (Canada Life it will be remembered was founded in Hamilton) is the MacLaren family, now owning in all some 359 shares divided among four individual holdings. W. P. MacLaren Hamilton was a director from 1847 to 1865 and vice-president of the company from March to June, 1859.

The Gates family is another western Ontario name whose connection dates back to 1857 when F. W. Gates was appointed a director. He was vice-president of the company from 1877 to 1907. His son H. E. Gates entered the company's services at head office in Hamilton in 1876, was appointed general agent at London in 1890, and was branch manager from 1899 to 1919. The Gates holdings now amount to 17 shares divided among four members of the family.

Holdings of shareholder directors are as follows: Leighton McCarthy, K.C., 31; H. C. Cox, 25; E. R. Wood, 95; A. N. Mitchell, 45; C. A. Bogert, 25; Arthur V. Davis, 55; R. A. Laidlaw, 42, J. A. McLeod, 25; John Stewart, 25, and W. N. Tilley, 50.

One Third Are Women

One out of every three shareholders is a woman, according to the recent figures, there being 66 women's names compared with 34 ten years ago. Total shares controlled by women amount to 1,682 which represents nearly 40 per cent of total shares outstanding apart from the block of stock controlled by Central Canada Loan & Savings Co. In addition over 450 shares are also held by estates in which women are a factor.

Ten years ago the number of shares held by women was approximately 1,480, apart from additional shares partly controlled by women through estates and trust funds.

English Shareholders

Considerable of the company's shares are held in England, there being approximately 17 individual shareholders controlling some 437 shares of stock. Ten years ago the corresponding figures were 13 with 380 shares.

There are 13 shareholders in the United States with 300 shares in all, compared with holders of 104 shares ten years ago.

The complete list of shareholders at the latest date for which figures are available (Dec. 31, 1933) follows:

Name and Address	No. of Shares
Acres, Mrs. L. E. L., Toronto	50
Ainslie, Miss Annie, Hamilton	1
Ainslie, William, Hamilton	1
Anderson, E. H. (in trust), Toronto	1
Ardern, Mrs. M. J., c/o Imperial Life, London, Eng.	60
Armstrong, Fred, Toronto	2
Ashton, Mrs. S. U., Grimsby Beach	32
Barton, Mrs. B., Tring, Herts, Eng.	20
Bedell, Mrs. C. L., Toronto	28
Bedford, Mrs. M. P., Winnipeg	3
Bogart, Clarence A., Dom. Bk., Toronto	25
Boyd, Mossom, Toronto	3
Bridges, Ernest T., Toronto	5
British Mortgage and Trust Corp. of Ontario, Stratford	25
Brock, Mrs. A., Toronto	20
Bruce, Miss Bessie Co., Hamilton	8
Bruce, C. A. C., Canada Life Assurance Co., St. John's, Nfld.	8
Burnham, E. G., c/o National Trust Co., Toronto	10
Burnham, Henry F. C., Toronto	10
Burton, Mrs. M. E., Toronto	1
Burton, George F., Toronto	12
Cameron, Mrs. E. S., Toronto	8
Cameron, Mrs. F. de la Garde, Caversham, Oxon, Eng.	6
Canadian Gen. Ins. Co., Toronto 2	2
Canadian Gen. Invest. Trust Ltd., Toronto	15
Canadian Investors Corp. Ltd., Toronto	5
Carmichael, Mrs. Helen Douglas, St. Albans, Herts, Eng.	8
Carpmael, Miss Agnes Co., Toronto	25
Carrick, J. W. and T. M., Weatherhead (in trust), Toronto	50
Cawthra, Estate, Toronto	20
Cawthra-Elliott, Mrs. G. M. Kennaway, Toronto	20
Central Canada Loan and Savings Co., Toronto	5,611
Cheves, Mrs. B. P., Hamilton	8
Cheyne, A. D., London, Eng.	10
Cockburn, Mrs. I., Toronto	55
Cox, H. C., Oakville	25
Crossley, Miss H. K., Tunbridge Wells, Eng.	20
Dalrymple, Alfred G., Toronto	1
Darling, Mrs. L. W. N., Toronto	60
Davis, Arthur Vining, Pittsburgh, Pa.	55
Domelle, John H., Toronto	3
Durnford, Mrs. M. O. G., Montreal	168
Durnford-Slater, Mrs. C. D., Instow, Devon, Eng.	100
Dyment, A. E., Toronto	5
Eaton, Mrs. A. E., Toronto	8
England, Murray G. and John H. Marshall (in trust), Hamilton	4
Ferrie, A. E., Toronto	20
Ferrie, Estate, Hamilton	4
Ferrie, Walter B., Vancouver, B.C.	20
Flavelle, Sir Joseph, Toronto	40
Forbes, Mrs. E. C., Montreal	4
Gates, Miss Clara A., Hamilton	4
Gates, Alex. and Mrs. B. E. Bell, Hamilton	2
Gates, Mrs. G. K., London	4
Gates, H. E., London	9
Gates, H. E., London	2
Gee & Co., Toronto	7
Gill, Ernest C., Toronto	2
Goldsmith, Dr. Perry G., Toronto	10
Goodenough, Mrs. E. N., Farmingham, Mich.	10
Goodston & Co., Jersey City, N.J.	125
Gordon, D., Asst. Mgr. (trust), Toronto	16
Grant-Suttie, Gerald L. P., Toronto	1
Grassett, Mrs. Jane S., Toronto	75
Gregory, Mrs. E. M., London, Eng.	20
Gund Company, The, Cleveland, Ohio	8
Gzowski (Est. of late C. S.), Toronto	6
Hagerty, Mrs. Florence A., Toronto	7
Harris, Mrs. Fannie, Long Island, N.Y.	10
Hart Smith & Co., Montreal	7
Hatch, Miss B. S., Oxford, Eng.	10
Hatch, Miss Ethel C. Chase, London, Eng.	10
Hatch, Miss E. M., London, Eng.	10
Hatch, Rev. Wilfred Stanley, Kingston-on-Thames, Eng.	10
Henderson and Small, Toronto	40
Hendrie (est. of late Col. W.), Hamilton	4
Hendrie, W. Ian S., Hamilton	12
Hill, S. F., Toronto	2
Hills, Mrs. Helen E., Toronto	30
Hendrie, est., Hamilton	16
Hendrie, G. M., (trust Mrs. Elizabeth Hay), Hamilton	16
Hendrie Est., Hamilton	16
Hendrie, Geo. M., Hamilton	16
Hendrie Est., (trust for Mrs. M. Eckford), Hamilton	16
Hendrie (in trust for Mrs. Maude Ledyard), Hamilton	16
Hendrie, Geo. M. and Royal Trust Co., Executors Estate Murray Hendrie, Hamilton	16
Hendrie, Geo. M., (in trust for Mrs. Phyllis M. C. Case), Hamilton	16
Hendrie, Geo. (in trust for Miss Anne M. Hendrie), Hamilton	16
Jarvis, Miss B. M., Toronto	3
Jennings, Mrs. F. G., Toronto	60
Laidlaw, Robert A., Toronto	42
Leask, Ian B., Redwood	1
Leggatt, Miss C. M., Montreal	16
Leggatt, Lieut. Col. W., Montreal	16
Le Mesurier, G. G., G. L. Smith and A. B. Wilkie, trustees for Wilkie Trust, Toronto	12
L'Esperance, E. J., Los Angeles, Cal.	4
Little, Mrs. C. L., Toronto	25
Livingstone, John A., Toronto	1
Luke, Mrs. I. M., Irvington on Hudson	10
McCarthy Leighton, G. K. C., Toronto	31
McDonald, R. G., Toronto	6
McKay, Mrs. Ellen, Hamilton	1
McLaren, Mrs. E. M., Hamilton	117
McLaren, Mrs. F. R., E. McLaren and M. F. McLaren, Hamilton	80
McLaren, Dr. George H., Todmorden	109
McLaren, H. E., Hamilton	22
McLaren, Wm. F., Hamilton	67
Macdonald, Miss J. K., Hamilton	5
Macdonald, Miss Isabel D., Hamilton	5
McLeod, J. A., Toronto	25
MacGregor, Mrs. Kate B., Hamilton	40
Mackenzie, Mrs. Ida, Grimsby	24
Macklen, Rev. T. C. S., Toronto	12
Macklem, Miss C., Toronto	22
Macpherson, Mrs. S. E. M., Toronto	42
Martin, Mrs. B., Hamilton	8
Merrick, Mrs. F. M., Hamilton	60
Merritt, Est. of late Wm. Ingersoll, St. Catharines	8
Mills, Est. of M. G., Hamilton	12
Mitchell, A. N., Toronto	45
Mitchell, Mrs. C. H., Toronto	12
Montreal City and District Savings Bank, Montreal	6
Morrow, W. G., Peterborough	14
National Trust Co. Ltd., Pallas Trustees, Toronto	14
National Trust Co. Ltd., Trustees D. W. Smart Trust, Toronto	10
National Trust Co. Ltd. (Trustees for Jean M. Wade), Toronto	60
National Trust Co. Ltd., M. B. Woodruff and M. F. Stares, Executors, Hamilton	94
Norton, T. W. F., Toronto	1
Oakshott, Mrs. E. S., Bidston, Cheshire, Eng.	16
Ogilvie, Mrs. Mary, Montreal	4
Osler & Hammond, Toronto	5
O'Neill, A. E., Oshawa	1
O'Reilly, E. B., M.D., Hamilton	4
Owen, Mrs. Enid S., Montreal	12
Ozanne, Hugh, Cobham, Surrey, Eng.	30
Ozanne, Roland C., Harrogate, Eng.	30
Peabody, E. B., Sherbrooke, Que.	2
Plummer, Estate, Toronto	114
Prudent Securities Ltd., Penetang	236
Purvis, Edwin T., Toronto	2
Ramsay, A. Gordon, Toronto	1
Ramsay, A. Gordon (trustee), Toronto	1
Ramsay, Mrs. J., Toronto	7
Rednor, Isidor C., Trenton, N.J.	5
Richardson, Est. of late H. A., Toronto	25
Robertson, A. Ross, Toronto	9
Robinson, Mrs. L. A. E., Hamilton	8
Rose, Mrs. Leila A., Scotia, N.Y., U.S.A.	5
Roy, J. G. and A. W. Bishop, Sherbrooke	2
Royal Trust Co., Winnipeg	4
Royter & Co., Toronto	10
Rush, Mrs. Muriel, Toronto	55
Saunders, E. M., Toronto	10
Scadding, Dr. H. Crawford, Oakville	8
Scadding, Mrs. M. E., Oakville	2
Scanlan, Joseph F., New York, N.Y.	7
Scarth, James F. (mgr. in trust), Toronto	3
Second Canadian General Investment Trust Ltd., Toronto	10
Security First National Bank of Los Angeles and Catherine M. Leggatt, Trustees, Pasadena, Calif.	16
Shier, Dr. Robert V. B., Toronto	1
Smith, Mrs. E. G., Winona	60
Soragge, Miss Florence Co., Toronto	18
Stanford, Frederick Talbot, Toronto	6
Stares, Douglas M., Hamilton	14
Strathclyde Investment Ltd., Vancouver, B.C.	16
Strathy, Mrs. Agnes S. Barrie; Gerard B. Strathy and H. W. A. Foster, Toronto (trustees), Toronto	28
Strathy, Gerard B., Toronto	35
Stuart, John, Chicago, Ill.	25
Sutcliffe, Mrs. Adelaide M., Hamilton	10
Teachers' Investment Securities Ltd., Oshawa	2
Tilley, Wm. Norman, K.C., Toronto	50
Todd, A. T., Estate of late Goldwin L. Smith (trustee), Toronto	160
Toole, William, Calgary	4
Toronto General Trusts Corp., Toronto	100
Toronto General Trusts Corp. in Trust for C. S. Gzowski, Toronto	9
Toronto General Trusts Corp. in trust for Marguerite Gzowski, Toronto	6
Torrance, (Estate of late Rev. E. F.), Toronto	24
Turner, Stanley F., Detroit, Mich.	20
Wade, Mrs. Jean M., Finstock, Charlbury Oxon, Eng.	17
Walker, H. B., Montreal	8
Wallis, Frederick, Toronto	4
Wardrope, W. H., K.C., and M. S. Findlay (in trust), Hamilton	28
Watson, W. G., gen. mgr., and H. M. Forbes, in trust, Toronto	10
Watt, Mrs. Kathleen, Toronto	7
Waugh, J. D. N., and H. F. Smith (in trust), Toronto	20
Wells, Arthur E., Toronto	8
Westminster Bank Ltd., London, E.C., Eng.	60
Wood, E. R., Toronto	95
Wood, W. A. P., Toronto	15
Woodruff, Norris Counsell, Hamilton	10
Young, Mrs. G. L., Toronto	5
Young, John C. Jr., Windsor	40

Life Figures Show Decrease In Manitoba

Life insurance premiums collected by companies operating in Manitoba dropped $455,000 in 1934, from the previous year, according to annual report of the provincial superintendent of insurance. Payments to policyholders also showed a decrease of over $1 million. These figures compare with increases of $134,000 and $242,000 in 1933.

Loss ratios in other classes of insurance were as follows: Fire, 31.8 per cent as compared with 31 per cent in 1933; automobile, 46.8 per cent as compared with 42; liability 31 per cent as compared with 39; sickness and accident 53 per cent as compared with 75; and hail 33 per cent as compared with 80.

At the year end there were 20 companies, including ten fraternal societies, operating under provincial license. In addition provincial licenses were held by nine reciprocal exchanges. There were also 266 Dominion companies doing business under the Manitoba Insurance Act, exclusive of 14 which are not writing new business but pay an annual fee to cover business already in force. More than 3,800 agents' licenses were issued during the year.

Joins Manufacturers

—Who's Who in Canada.

GEORGE G. MITCHELL

Senior member of the brokerage firm of Brouse, Mitchell & Co., who was recently elected a director of the Manufacturers Life Insurance Co.

SEPTEMBER SALES LIFE INSURANCE IMPROVE ON '34

But Nine Months Total Still Lower Than Year Ago

Sales of ordinary life insurance showed customary seasonal decline in September but recorded a gain of a little more than 2 per cent over the same month a year ago according to figures prepared by the Sales Research Bureau. The figures are exclusive of annuity and pension bond sales and cover only paid-for insurance.

Compared with a year ago, areas recording increases were as follows: British Columbia a gain of 41 per cent; Nova Scotia up 15½ per cent; Manitoba up 11½ per cent and Ontario 7 per cent. Saskatchewan also showed a slight improvement. Most of the loss for the month was in Quebec province where sales were lower by $900,000 at $7.7 millions.

Comparative figures follow:

(A) Sales by Areas

	Sept., '35	Sept., '34	Aug., '35
	$	$	$
B. C.	2,171,000	1,542,000	2,010,000
Alta.	879,000	1,038,000	1,026,000
Sask.	988,000	980,000	996,000
Man.	1,402,000	1,256,000	1,319,000
Ont.	11,454,000	10,701,000	10,841,000
Que.	7,721,000	8,610,000	8,552,000
N. B.	706,000	719,000	862,000
N. S.	1,034,000	896,000	930,000
P. E. I.	87,000	91,000	103,000
Nfld.	254,000	290,000	215,000
	26,696,000	26,123,000	26,854,000

(B) Sales by Months, 1933-35

	1935	1934	1933
	$	$	$
Jan.	29,928,000	27,728,000	32,988,000
Feb.	28,095,000	29,036,000	28,716,000
Mar.	31,768,000	32,564,000	31,416,000
April	30,591,000	33,296,000	28,900,000
May	31,916,000	33,184,000	27,423,000
June	34,114,000	32,277,000	32,112,000
July	32,165,000	33,951,000	32,155,000
Aug.	29,749,000	26,659,000	26,854,000
Sept.	27,443,000	26,123,000	26,696,000
Oct.	33,434,000	31,342,000	....
Nov.	36,061,000	35,863,000	....
Dec.	38,967,000	37,691,000	....

Figures represent new paid-for ordinary business by 19 companies having in force at Jan. 1, 1935, 90 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Cumulative Total Lower

For the first nine months of the year total sales of new insurance on the same basis are lower by 2.7 per cent than in the corresponding period a year ago. The 1935 figure is $267 millions of which almost half came from Ontario. Comparative figures by provinces for the nine months period, follow:

Nine Months Sales

	1935	1934
	$	$
British Columbia	19,067,000	18,261,000
Alberta	10,736,000	11,001,000
Saskatchewan	9,174,000	8,887,000
Manitoba	13,810,000	14,362,000
Ontario	116,961,000	114,810,000
Quebec	78,093,000	86,908,000
New Brunswick	6,457,000	7,333,000
Nova Scotia	9,734,000	9,923,000
Prince Ed. Island	840,000	1,014,000
Newfoundland	2,388,000	2,319,000
	267,260,000	274,818,000

U.S. Figures Show

September figures for the United States show that sales of ordinary life insurance were but a fraction of one per cent higher than in the same month a year ago. Total sales—including group and industrial business gained 4 per cent due to an 11.2 per cent gain in industrial and a 6.7 per cent increase in group business. Cumulative total in the U.S. for the first nine months shows an increase for all types of business of 3.3 per cent and a gain in ordinary sales of a fraction of one per cent.

Sixtieth Year Is Celebrated By Prudential

The Prudential Insurance Co. of America is celebrating its sixtieth anniversary this month. In that span of years it has developed into the second largest institution of its kind in the world with more than $15 billions of life insurance in force and total assets of $3 billions. It is estimated that one person in every six in the United States and Canada is Prudential insured.

The trend of paid for insurance is indicative of the company's growth. The billion dollar mark was reached in 1904. Ten years later, the total had risen to $2.6 billions, and in 1919 had further grown to $4.5 billions. In the next five years, this figure was almost doubled. During the last ten years, there was a gain of over $7 billions bringing the total to $15.3 billions.

Many hundreds of millions of dollars have been distributed by the Prudential in its 60 year history; in 1934 alone, disbursements amounted to $419 millions.

THE DOMINION LIFE
ASSURANCE COMPANY
HEAD OFFICE • WATERLOO . ONTARIO

Let the "INCOMETER" help you analyze your Life Insurance Programme. It tells what income your present insurance will bring—or how much more protection you need to give the income you want. Write today for free copy.

FIRST POLICY ISSUED 1889

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Salary Deduction Plans

I have been approached by a life insurance company regarding an idea, new to us, called a "salary savings group."

We have a regular group plan, whereby our employees numbering around 400 are covered from $1,000 to $3,000 per employee in event of death.

This plan is suggested as an extra means whereby employees may further increase their insurance by purchasing further coverage on any plan, and have the premium deduction made from their salary cheque. I am favorably impressed with the suggestion, as I think many could further improve their standing in this way. We might be able also at some time to help them with the premium by a bonus arrangement in prosperous years.

I would be glad of your comments, especially if you could inform me if it has been tried out before and what effect it has had.

The salary savings deduction plan has not been uniformly successful since it was first introduced into this country some time after the war. One difficulty is that monthly premium payments are necessarily more expensive than annual payments, which means that many employees prefer to pay their insurance premiums annually rather than as a deduction from their pay cheque. This limits the plan as a rule to small policies.

Obviously the success of the plan depends primarily on the willingness of the employer to give his endorsation to the particular company through which the insurance will be placed. In some cases employers hesitate to do this. It also depends on the willingness of the employer in making the necessary deductions once the plan is under way.

After that it is up to the company's representatives to solicit additional insurance from the employees though obviously, once the plan has been accepted by the employer this gives the insurance company a substantial advantage over its competitors. Success of the plan often depends, however, on the degree of co-operation possible between the underwriting agent and the employer.

Chief virtues of the plan are that it enables employees to budget insurance and retirement savings systematically and usually leads to a considerable increase in the average amount of insurance carried by employees. In one group which came to our attention recently a 40 per cent increase in protection was reported after the plan had been inaugurated.

If you believe in what seems nowadays an almost old-fashioned virtue—namely thrift—you will doubtless feel that thrifty employees are better employees and that the development of such a plan will offset the need for "passing the hat" and for contributions on the employer's part, to workers or their dependents who are left in straitened circumstances.

Some very large Canadian companies have had the plan in force for a considerable time and are apparently quite satisfied with the results obtained. For the most part, however, the plan seems to be most successful in small organizations where close co-operation between the three parties is obtainable.

Teachers Insurance

Several of my clients have approached me with reference to insurance in the Teachers Insurance and Annuity Association of America, head offices in New York.

Please advise if this company is safe for Canadians to do business with and would you advise a Canadian to take a policy with this company in preference to insuring in one of our Canadian companies?

Teachers Insurance & Annuity Association of America is not licensed to do business in Canada as far as we can ascertain. Accordingly, we would not advise any one to take a policy with this organization since it does not meet the requirements of our Canadian jurisdiction.

As we have pointed out on many occasions, there are so many good companies complying with our laws in this country that we see no reason why insurers should go outside these bounds.

Aid Association for Lutherans

I would appreciate some information concerning the "Aid Association for Lutherans" under the following headings:

(1) Is this a chartered life insurance company in Canada and backed by the government?

(2) Does the clause attached to a policy allow the company to raise or lower premiums on that policy as they see fit?

(3) Has this company paid any dividends to their policyholders in Canada?

(4) Why should they only insure Lutherans?

(5) Have they any policy holders other than Lutherans?

(6) How much assets have they and what volume of new premium business do they do each year?

The head office of this association is in Appelton, Wisconsin.

Would you advise me to buy a large policy in that company or one with a larger life insurance company?

The Aid Association for Lutherans is licensed at Ottawa as a fraternal benefit society. Its chief agent is Alfred Dashner, of Ottawa, and it has on deposit with the Receiver General at Ottawa securities valued at $21,000.

The fact that this organization is a fraternal benefit society puts it in a different position to a regular "line" insurance concern. The fundamental difference being that fraternal associations have among other things the right to assess members from time to time to meet liabilities due under their contracts. On the other hand the regular life insurance contract is for a fixed sum with no subsequent liability on the part of the policyholder over and above the actual amount of his premium.

Canadian governments do not attempt to "guarantee" insurance contracts. For all companies whose head office is outside the country the federal government does, however, require a deposit sufficient to meet all the liabilities in this country.

Your second question as to whether the company can raise or lower premiums is already answered by our statement as to the ability of a fraternal society to assess its membership from time to time as may be deemed necessary.

Regarding dividends, it is our understanding that the society does not issue participating insurance and that, therefore, there would be no dividend payments in the way they are made by ordinary life insurance companies.

It is also our understanding that the society insures only Lutherans although it is quite probable that they have some other policyholders from time to time on their books. Many societies were originally organized on the basis of including only one group or type of person.

Total admitted assets of the company at the latest statement for which we have information; namely, Dec. 31, 1933, amounted to $15,306,000. This applies, of course, to their total business most of which is in the United States. Total business in force approximates $117 millions while total new business written in 1933 was $19 millions.

The choice between this organization and an ordinary line company involves two different types of insurance. The one is a mutual benefit, usually taken as an adjunct to membership in a fraternal organization, the other is a straight life insurance contract.

U. S. ADVERTISING GAINS IN SEPTEMBER

Newsprint Sales Follow in Line With Advertising Trend

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in the principal American newspapers during September recorded a seasonal gain, according to data compiled by Media Records Inc. and published by Editor and Publisher.

The seasonal advance in September, however, was somewhat better than that of September a year ago, so that the margin of gain over 1934 rose from 2.6 per cent in August to 5.2 per cent for September.

For the first three quarters of the year, the average gain over the corresponding period of 1934 has been 4.2 per cent.

Classified advertising made a better gain than display, showing an increase of 12.4 per cent over September, 1934.

Of the display classification, department store linage made the largest up-turn, foreshadowing the increased September sales. Automotive advertising dropped sharply as the motor makers put the brakes on one selling season and devoted themselves to the plans for bringing out new models in preparation for a new drive. Financial advertising on the other hand, recorded one of its largest gains in some time.

Saint John Port Tonnage Greater During September

From Our Own Correspondent

MONTREAL. — Changes in the capitalization of Saint John Dry Dock and Shipbuilding Co. have been approved by supplementary letters patent. The present set-up of 18,000 Class A shares and 20,000 Class B shares, all of no par value, has been reduced to 20,000 Class B shares with the cancellation of the Class A shares.

The Class B shares have been changed to common shares and the capital stock increased from 20,000 common shares of no par value to 1,520 six per cent cumulative preferred shares of the par value of $100 each and 20,000 common shares of no par value.

HEALTH INSURANCE NOT PREVENTATIVE WARNS McGILL M.D.

Urges Adoption of Any Plan on National Basis, However

According to Dr. Grant Fleming of McGill University, health insurance, if undertaken in Canada, should be placed on a national basis. The statement was made before a convention of the Ontario Hospital Association at Toronto. This would place all competitive industries on an equal basis, says Dr. Grant Fleming.

Chief criticism of health insurance, according to Dr. Fleming, was that it is neither preventative in its outlook nor practice.

"Up to the present time," he said, "the public has not been educated to spend money buying preventative medicine from the family physician. It can hardly be expected that the same public will become suddenly prepared to make such expenditures through health insurance.

Suggests Examination

"There is the implication, however, this will take place in time and the health insurance practitioner will practice preventive medicine. It has been suggested that if and when Dominion health insurance becomes available it should be used in whole or part to obtain for the insured such health services as periodic health examinations from health insurance practitioners and so make health insurance in reality what it is expected to be—a health service.

"It is one thing to support the principle of health insurance," he said, "but it is quite another to accept its coming into action. We should understand the justifiable fears of the practitioner of medicine who sees drastic change about to take place. We can only face change with courage if we take the time to understand the implication of the change."

Manitoba Tries Plan For State Medicine

If experiments about to be made in a small area prove successful, state medicine will shortly be achieved in Manitoba, according to Hon. I. B. Griffiths, Provincial Minister of Health and Public Welfare.

Preparations are being made by the Government to establish a unit area in which a form of state medicine will be tried out. The ultimate scheme will involve free medical, hospital and drug service to individuals, the cost to be borne probably by provincial and municipal governments out of taxes.

The plan contemplated will effect no change in the present system except doctors, druggists and hospitals will not send bills to patients. Payment, in this unit area, will be taken care of from a common fund provided by municipal and provincial governments.

World Silver Output

World silver production in July totalled 17,284,000 ounces as compared with 15,157,000 in June. Shipments of refined bullion from former holdings also augmented the world supply; in July, Great Britain received 523,926 ounces of this bullion from British India and 990,459 from Russia.

Are you facing the future blindfold? A Crown Life Policy safeguards you and yours. Why wait?

CROWN LIFE
INSURANCE COMPANY

Consult the Crown Life Man

Toronto Branch Offices:
Crown Life Bldg., 55-59 Yonge St.
Toronto, Canada

A Good . . . Provider!

The better a man provides for his family while he lives, the greater the hardship on them if he dies leaving them stranded.

This Company has grown because of its ability to help men make the future secure for their dependents.

May we help you?

London Life
Insurance Company
HEAD OFFICE LONDON, CANADA

Is Your Life SUPER-SELECT?

WHAT do we mean by "Super-Select"? Simply this: that if you are healthy, with a good family history, and not engaged in a hazardous occupation, you are probably a first-class life insurance "risk" and, consequently, are entitled to buy $5,000 or more Confederation Life Insurance Protection with Total Disability and Double Indemnity Benefits, at the lowest possible premium rate.

A $10,000 Super-Select Policy pays to your beneficiary $10,000 at Death, or, if the beneficiary prefers it, $57.50 a month for 240 months.

If you die by accident before you reach age 60, we will pay $20,000 to your beneficiary in cash, or $10,000 in cash *and* $57.50 a month for 240 months.

If you become totally disabled before you reach age 55 (after six months of total disablement) the Confederation Life will pay you $100 a month for 50 months and then $50 a month for 100 months. Then, if you are still totally disabled at the end of the 150 months, the Association will pay you a further $10,000 in cash. This is the most desirable form of Life Insurance Policy that can be purchased anywhere. Fill out and mail the coupon and get full particulars.

Confederation Life Association,
Confederation Life Bldg., TORONTO.
Please send me particulars of your Super-Select Policies.
Name.. *Age*.................. (nearest birthday)
Address..

Confederation Life
Association

THE MANUFACTURERS LIFE

Advises Against Delay

The time to buy insurance is now. Delay means increased cost with each year of age—and may bring ill-health, which will prevent the purchase of insurance at any cost.

INSURANCE COMPANY
HEAD OFFICE: TORONTO, CANADA
Established 1887

Fire and Casualty News

B.C. INSURANCE HAS MIXED TREND REPORT STATES

Fire Companies Have Favorable Year—Poor Casualty Experience

The annual report of the Superintendent of insurance for British Columbia states that under prevailing conditions, results of insurance companies in the province in 1934 were not unsatisfactory. Diminished resources and incomes and volume of business, although it may have expanded in certain directions, have retarded recovery of insurance, it is stated.

Although life insurance premiums show an increase after steadily falling since 1931, and more new insurance was taken in 1934 the total amount of insurance in force slightly decreased and the claims were larger. The position with regard to policy loans improved during the year. Owing to the reduced rate of interest on investments which is anticipated, some increase in premium rates has already been made and is expected to become general. Lapsation experience was better but there is still room for considerable further improvement.

Loss Ratio Low

Fire insurance companies enjoyed favorable experience in the year, the ratio of losses to premiums being only 34 per cent, one point higher than last year. Both premiums and losses were lower than a year ago. It is believed that these results are due to more scientific underwriting; they were achieved in spite of four large fires in lumber mills. The superintendent states that "It is probably true to say that never before in Canada has there been such close investigation of the risks accepted or such endeavor to secure efficient and economical administration."

Automobile companies were less fortunate, meeting with lower premiums and higher losses. The loss ratio of 59 per cent is the largest since 1930, and was suffered despite a more strict motor-vehicle law. Marine losses in the province were heavy. Accident and sickness insurance showed some increase in volume.

Fewer Companies

At the end of the year, 282 companies were writing insurance in the province. This represents a net decline of three during the year, and was brought about by withdrawal of Canadian and United States' companies doing fire and automobile business. The number of agents licenses for insurance other than life, was again less, the total being 1,941 as compared with 1,960 in 1933.

Forty-two companies are licensed for life insurance, 206 for fire, 164 for automobile and 113 for marine. In addition, two fraternal societies are licensed and permits are held by nine reciprocal exchanges.

New Licenses

The federal department of insurance has licensed the following companies to write insurance in the the classes named on properties already insured for fire. These classes are in addition to those for which they are already licensed.

The Newark Fire Insurance Co.—Falling aircraft, earthquake and riot and civil commotion.

Queen Insurance Co. of America—Falling aircraft and earthquake.

The Wapiti Insurance Co. has been authorized to transact fire, automobile and tornado insurance. Mr. C. E. Vanstone, Wawanesa, Man., has been appointed Canadian chief agent of the company.

The Standard Accident Insurance Co. of Detroit, Mich., has been authorized to write guarantee insurance. Norman G. Duffett, Toronto, has been appointed chief agent in Canada.

Obituary

James W. McCoubrey, vice-president and general manager of the United Drug Co. and president of the L. K. Liggett Co. of Canada, drug chain, died in Toronto following a heart attack. He had been with the Liggett organization since 1908.

Mark Bredin, president of Bredin's Bread, Ltd., died in Toronto. In 1911 he engineered the merger of Toronto bakers that resulted in the foundation of the Canada Bread Company. Mr. Bredin was vice-president of North American Life Co., and of Canadian Canners; director of Maple Leaf Milling Co. and of City Dairy Co., Toronto.

Missisquoi Manager

C. H. REMICK

Manager of the Missisquoi and Rouville Mutual Fire Insurance Co., which is this year celebrating its 100th anniversary. Mr. Remick has been associated with the company for the last 36 years.

Must Recognize Big Difference Between Agents

The popular conception of the status of the insurance broker and agent has become confused, G. D. Finlayson, federal superintendent of insurance stated before the annual convention of the Ontario Fire and Casualty Insurance Agents' Association.

"The public must realize the difference," he said. "The broker is often agent of the insured and not of the insurer. In other words, when the broker, sometimes by misunderstanding, and in an effort to get a favorable rate, makes misrepresentation in court in case of a claim, it is accepted as being misrepresentation on the part of the insured, although the insured may know nothing about it. In this case the loss would not be paid.

"Our courts say that brokers are agents of the insured. It is the business of the insured to find out relationship of his broker, whether he is an agent of the company of insurers, or merely a special agent. Very often people insure with brokers and do not trouble even to enquire the name of the company with whom they are insured. In the old days an agent was known to represent one company. That has all changed now.

"In our courts the statements made by brokers to insurance companies are attributed to the owner of the insured property. Such is not the case if the broker happens to be an authorized agent of the company."

'Peg Institute Elects Officers For Next Year

The following officers were elected at the recent annual meeting of the Insurance Institute of Winnipeg: Honorary president, R. J. Parker, Western Canada Insurance Underwriters' Association; pres., F. C. D. Oxenham, London & Lancashire; vice-pres., C. McE. Nicholls, Prudential Assurance; secretary, G. E. Budden, Western Canada Insurance Underwriters' Association; treasurer, C. R. Francis, Canadian Fire Insurance Co.; council members, T. D. Harris, Employers' Liability, R. P. Simpson, Sun Insurance Office, J. J. Milne, Royal Exchange, D. B. Murray, Canadian Pool Agencies, F. R. McDowell, Atlas, G. J. K. Irvine, Boston Insurance, W. Glazin, Continental and H. P. Ham, British America.

Major N. J. Black, a past president, was elected an honorary member of the institute.

At the meeting diplomas of the Insurance Institute of America were presented to 17 members who had successfully completed the three year study course.

Hospital Rates

Hospital rates averaged 0.7 per cent lower in 1934 than in 1933, but 3.7 per cent above the 1926 level, which has been taken as a basis of general comparison. Only minor changes were apparent in 1934 rate indexes, and these were all downward. The greatest decrease for rates was for public wards, the index falling from 109.5 to 108.7.

La Salle Hotel

Drummond Street Realty Corp. Bondholders to Vote on Reorganization — Approval of New Issue Sought

From Our Own Correspondent

MONTREAL.—Holders of the 6½ per cent refunding sinking fund mortgage bonds of the Drummond Street Realty Corp., owners and operators of the LaSalle Hotel, Montreal, will meet on Oct. 30 to consider a reorganization plan as outlined in a notice sent forward by the trustee.

On Feb. 1, 1932, the bondholders agreed to defer interest and sinking fund on their bonds. Since that time the company has not made any notable progress and both of these obligations remain unfilled.

Create New Issue

In order to put the company in a sounder financial position, a plan has been drawn up calling for the creation of a $400,000 five per cent general mortgage income bond issue, dated October 1, 1935, and maturing on the same date in 1955. The bonds are non-cumulative as to interest and carry the same rights as the present bonds.

Bondholders will be asked to approve the creation of this issue and to permit directors to issue a first mortgage bond to an amount not exceeding $375,000 and to carry a coupon paying not more than five per cent. Proceeds of this issue can be used to pay off $325,000 present first mortgage bond issue, affecting part of the present immovable property in favor of the Chartered Trust and Executor Co. and all arrears of taxes.

Basis of Exchange

In connection with the refunding sinking fund mortgage bonds, of which $625,000 were issued through Johnston and Ward, the plan provides for the exchange into the new income bonds on the basis of $50 of new bonds for $100 of old bonds.

Further the bondholders will sell the eight matured interest coupons, covering the period from Feb. 1, 1932 to Aug. 1, 1935, at 10 per cent of their face value, payment to be made in the new income bonds.

In order to carry out these two transactions, it will be necessary to distribute $343,680 of the new income bonds.

The balance of the issue—$56,320—will be used by the directors at their discretion for capital expenditures or working capital.

Hartley D. McNairn

Fate and Politics Play Rôle in Life of New Ontario Superintendent of Insurance

No Torontonian will hear the name Hartley Dewart McNairn without wanting to know the "story" behind the first two names.

Its an unusual one.

Thirty years ago a Toronto grain dealer and merchant named Samuel McNairn was celebrating with his friend Hartley Dewart, K.C., the winning of an important legal victory. News came of the arrival of a son to Mr. McNairn. So to memorize the double event and to forge another link in a lifelong friendship, the boy was called Hartley Dewart McNairn.

Had To Be Lawyer

With a name like that, the die was also cast for the boy's future career. He just had to be a lawyer, and 23 years later he prepared to enter the legal office of his father's friend only to be checkmated by the sudden death of Mr. Dewart. He changed his plans and apprenticed himself instead (at three dollars a week) to the legal firm of Denton & Denton.

There he sits today, but on November 1 he will pack his bag and move into the capacious office on the fourth floor of Ontario's parliament buildings which a thoughtful government has set apart for the use of its superintendent of insurance.

Insurance Connection

The entry of Mr. McNairn into insurance circles dates back about fourteen months. Political complications had created a vacancy on the Ontario Advisory Board (official clearing ground for contentious matters involving applications and complaints of insurance agents, brokers and adjusters). Mr. McNairn was asked by his friend Attorney-General Arthur Roebuck (with whom he had been closely associated during the provincial election), to serve as chairman of the board. He did a good job which put him in direct line for the higher opening when Mr. Foster resigned as superintendent.

Born December 27, 1904, Mr. McNairn was educated at Upper Canada College, University of Toronto and Osgoode Hall. At school he was an ardent rugby player, today, with a wife and one daughter he enjoys the quieter recreations of fishing and hunting. He has been for some years secretary of the Toronto Men's Liberal Association.

After long days and nights devoted to law and politics he looks forward with keen anticipation to "regular" hours at Queen's Park; sees his major task that of retaining the fine record of insurance supervision passed on by Leighton Foster and his predecessors in office whereby policyholders in provincially licensed companies have come through the depression unscathed; expects to follow tradition by not remaining a civil servant the rest of his life but using the office as a stepping stone to wider horizons in the years to come.

Auto Insurers Worried By Lower Lloyds' Rates

Automobile insurance companies and agents writing business in Ontario are considerably concerned about the very low rates offered by some of Lloyd's agencies. Some time ago, Hunter, Rowell & Co., Toronto agents, distributed a letter to members of the Ontario Motor League, and advertised in the League's journal, advising that members could secure insurance on terms approximately 35 per cent under those charged by tariff companies. These rates also apply to any preferred risks who wish to avail themselves of them, although no advertising has been placed outside the motor club. Since that time, it is understood, some of the other Lloyds' agencies have brought down their rates to a competitive level.

Effect on Other Companies

It is as yet too early to definitely determine the effect on other companies in the automobile field. The proposal was made just recently, and relatively few of the policies held by motor league members have since matured. Consequently not until next year can the real results be known. Hunter, Rowell, however, states that the new rates have already attracted a considerable volume of business.

The firm writes business direct, and it is because of this, it is explained, that the reduction has been possible. No commissions have to be paid to agents. The company states that it took the Lloyd's agency because its own business was being attacked. Having secured the agency, the Motor League members presented a highly desirable field because of a better class of driver. Consequently the firm made an aggressive effort to secure some of this business. Under-cutting has not been aimed at tariff companies, rather it has been directed at non-board companies, officials of the firm state.

MUNICIPAL FINANCES

Hamilton collected for the first nine months of 1935, $6.4 millions in taxes as compared with $6 millions last year for the same period. The collections were made as follows:

Collections:	1935 $	1934 $
Current levy	5,198,000	5,028,000
Arrears	1,300,000	1,029,000
	6,498,000	6,067,000

* * *

Vancouver's public works undertakings will be assisted financially by provincial government contributions, and part of them will therefore be classed as relief works. Sewage, road and other works totalling $335,000, fall into this classification. The arrangement means that the $335,000 provided by the city will permit approximately $450,000 worth of work to be done, the province contributing the difference.

* * *

Toronto city council has refused to capitalize an estimated expenditure of $18,000 in the civic welfare department to cover the cost of equipment for relief recipients until the end of the year.

* * *

Sarnia's tax collections for nine months, ended Sept. 30, were 51.16 per cent of the total 1935 levy. Current tax collections were up $9,939 over the same period last year. Arrears paid showed an increase of $8,957. The collections were as follows:

Collections:	1935 $	1934 $
Current levy	382,219	364,323
Arrears	155,846	146,889
Totals	538,065	511,212

* * *

Dundas, Ont., will be paid $20,000 by the John Bertram and Sons, Co. on its tax account. The company has owned the municipality $25,000 for several years. The balance will be paid on or before Dec. 31, 1935, without interest and after that date interest at the rate of 5¼ per cent per annum. The assessment of the company's plant and offices, including business assessment, is to be set at $256,500.

* * *

Medicine Hat's collection of taxes in the first nine months of 1935 reached $241,769, an increase of $672 over the same period last year. Collections of arrears is up about $8,000 over a year ago. Current taxes paid dropped about $7,500 in comparison, however. Following are the collections for the nine months:

Collections:	1935 $	1934 $
Current levy	198,477	205,946
Arrears	43,963	35,823
General Revenue Statement, Nine Months		
Taxes, exclud. discts.	242,441	241,769
Utilities, rentals, etc..	342,020	321,993
General revenues, etc.	27,030	28,960
Totals	611,492	592,723

* * *

Greater Windsor will save approximately $40,000 per year by buying its power from the Hydro-Electric Power Commission as a unit instead of by four separate municipalities as formerly, O. M. Perry, Hydro manager told the Windsor Utilities Commission recently. The saving is expected to begin at the first of next year.

* * *

Ville St. Pierre, Que., will be controlled financially by a comptroller on and after Nov. 1 if the municipality fails to pay the loan carrying charges due to banks and the public and the sums owed to the Catholic and Protestant school commissions of the municipality, the Montreal Metropolitan Commission has decided.

* * *

Calgary city officials estimate that a supplementary appropriation of $75,000 at least will be needed to carry on relief work for the last three months of the year. The city spent $108,085 on relief during September, of which $46,585 was raised by the municipality. Only $67,000 is left for relief for the balance of the year, and with winter coming on, the demand for relief purposes is expected to be greater than has been expended since spring.

* * *

Ottawa's civic assessment and population show increases this year over last. According to an interim report prepared by P. H. Veale, assessment commissioner, the population increased 2,405 this year over 137,900 for 1934. The assessment this year is $158 millions as compared with $156 millions for 1934.

* * *

Kitchener, Ont., total tax collections to Oct. 9 this year were up $24,220 over last year, although current collections were down $23,131 for the period. The collections were as follows:

Collections:	1935 $	1934 $
Current levy	1,038,618	1,061,749
Arrears	153,662	106,310
Totals	1,192,280	1,168,059

* * *

Scarborough Twp., Ont., reports total tax collections to the end of September this year as $261,396 compared with $236,295 at the same date last year. Arrears collected for the period in 1935 totalled $209,874.

* * *

Calgary's total revenue of $3,483,000 from all sources for the first nine months of the year was $74,000 higher than for the same period last year. Collections on arrears of taxes for the city were up over $100,000 from last year.

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TORONTO

Many Towns Report Lower Fire Losses

Reflecting the general improvement in fire loss experience in Canada as a whole, figures of municipalities between, 2,000 and 5,000 in population indicate that a majority of the towns suffered less in 1934 than in the previous year. Four towns, Capreol in Ontario and Aylmer, Roberval and Ste. Anne de Bellevue in Quebec, reported no loss during the year. This is the same number as in 1933 and is also the same distribution, one in Ontario and three in Quebec; but none of those mentioed can claim to have been fireless in both years.

Fewer large losses were registered, and no municipality approached the $58 per capita loss recorded by Sackville in 1933. New Liskeard had the greatest loss for the year with a per capita figure of $22.94.

FIRE LOSSES IN MUNICIPALITIES WITH POPULATION OF 1,000 TO 5,000

Municipality:	Population 1934	Total property loss 1934	Loss per capita 1934	Loss per capita 1933	Loss per capita 1932
		$	$	$	$
Ontario—					
Alexandria	2,006	235	0.12	1.23	89.00
Almonte	2,400	150	0.06	1.63	0.31
Amherstburg	2,600	10,415	4.01	5.21	4.82
Arnprior	4,030	11,228	2.79	2.99	1.41
Aurora	3,000	340	0.11	0.14	0.40
Aylmer	2,200	20,770	9.44	3.12	0.18
Blind River	2,700	2,000	0.74	0.36	4.43
Bowmanville	3,800	233	0.06	0.22	0.35
Bracebridge	2,477	2,257	0.91	0.88	2.25
Burlington	3,046	2,315	0.76	1.06	0.76
Campbellford	2,850	2,200	0.77	0.38	26.32
Capreol	2,300	Nil	Nil	1.20	0.59
Carleton Place	4,200	2,742	0.65	0.38	5.21
Cobalt	3,450	12,300	3.57	2.74	0.97
Cochrane	3,000	1,405	0.47	0.80	2.59
Copper Cliff	3,500	3,430	0.98	7.71	1.01
Dunnville	3,800	11,050	2.91	0.07	13.60
Gananoque	3,400	125	0.04	1.21	0.93
Goderich	4,500	1,760	0.39	...	...
Haileybury	2,950	5,051	1.71	0.01	0.59
Hanover	3,056	315	0.10	2.05	1.85
Hespeler	2,800	1,545	0.55	0.43	Nil
Huntsville	2,651	10,550	3.98	8.58	9.93
Kincardine	2,500	1,210	0.48	0.21	0.11
Kingsville	2,600	3,271	1.26	0.11	1.87
Listowel	2,800	25,086	8.96	0.03	Nil
Meaford	2,650	597	0.23	2.99	2.98
Merriton	2,530	250	0.10	44.97	0.49
Napanee	3,000	11,674	3.89	0.06	3.55
New Liskeard	3,000	68,810	22.94	1.38	3.02
Newmarket	3,800	300	0.08	0.69	0.68
Oakville	3,774	1,445	0.38	0.33	0.17
Orangeville	2,700	1,571	0.58	0.44	1.48
Penetanguishene	4,100	70,900	17.29	6.50	1.18
Perth	4,300	700	0.16	0.36	1.98
Petrolia	2,640	210	0.08	0.20	1.62
Picton	3,500	625	0.18	0.25	1.23
Port Hope	4,500	3,950	0.88	4.62	3.75
Prescott	2,958	2,207	0.75	0.58	7.64
Rockland	2,220	4,000	1.80	Nil	1.35
Tecumseh	2,300	4,775	2.08	3.72	1.71
Tilbury	2,000	3,300	1.65	1.50	0.76
Tilsonburg	3,400	3,868	1.14	6.89	0.17
Wallaceburg	4,500	19,879	4.42	1.54	2.47
Weston	4,828	3,600	0.74	0.25	3.26
Wingham	2,000	1,250	0.63	2.00	0.64
Quebec—					
Aylmer	2,835	Nil	Nil	...	...
Baie St. Paul	2,000	1,785	0.89	Nil	21.76
Berthierville	2,400	675	0.28	...	2.31
Chateauguay	3,250	1,000	0.31	Nil	0.63
Coaticook	4,585	10,070	2.47	8.10	5.82
Dorval	2,200	325	0.15	4.50	0.18
Farnham	4,000	3,750	0.94	3.69	2.03
Iberville	3,000	1,250	0.42	3.00	0.43
Lachute	3,971	25,468	6.41	2.36	2.81
Laprairie	2,850	2,025	0.71	...	2.83
Laval des Rapides	2,864	1,400	0.49	0.01	0.66
Louisville	2,365	1,228	0.52	0.35	0.33
Marieville	2,100	4,903	2.33	4.03	2.02
Megantic	3,757	5,261	1.40	1.02	1.97
Montreal West	3,500	2,400	0.69	0.16	0.06
Nicolet	3,000	150	0.05	Nil	...
Pointe aux Trembles	4,002	16,712	4.18	7.19	4.59
Pointe Claire	3,800	10,074	2.65	3.71	2.13
Richmond	3,000	30	0.01	1.66	3.63
Roberval	2,770	Nil	Nil	...	...
Ste. Agathe des Monts	3,000	5,925	1.98	8.72	4.44
Ste Anne de Bellevue	2,639	Nil	Nil	2.36	3.17
Ste. Thérèse	3,500	41,500	11.81	11.13	0.29
St. Tite	2,175	7,481	3.44	1.39	1.29
Waterloo	2,500	28,560	11.42	0.35	2.49
Windsor	2,700	1,900	0.70	0.27	1.18
Manitoba—					
Selkirk	3,500	7,900	2.26	0.45	15.19
The Pas	3,400	940	0.28	0.12	3.75
Saskatchewan—					
Biggar	2,200	1,145	0.52	0.30	0.02
Estevan	3,000	1,855	0.62	0.22	0.20
Humboldt	2,000	1,050	0.53	6.74	1.31
Alberta—					
Camrose	2,250	3,000	1.33	0.16	1.62
Coleman	2,700	50	0.02	0.32	0.32
Raymond	2,500	1,035	0.41	0.89	0.55
Red Deer	2,300	2,140	0.93	0.35	0.02
Vegreville	2,000	21,360	10.68	2.08	Nil
Wetaskiwin	2,200	6,685	3.04	0.34	0.49
British Columbia—					
Cranbrook	3,000	788	0.26	0.56	3.03
Cumberland	2,500	38	0.02	36.35	24.90
Fernie	2,780	3,002	1.08	5.33	1.71
Kelowna	4,600	12,184	2.65	1.85	1.61
Ladysmith	2,500	33	0.01	0.21	10.54
Port Alberni	2,400	1,410	0.59	1.54	2.67
Prince George	2,500	1,324	0.53	6.82	1.71
Revelstoke	3,000	550	0.18	2.18	...
Rossland	3,000	3,092	1.03	3.78	1.43
Vernon	4,000	7,189	1.80	1.78	4.93
Nova Scotia—					
Bridgewater	3,200	10,298	3.22	0.82	3.60
Dominion	3,600	2,082	0.58	0.01	5.99
Inverness	3,000	554	0.18	0.35	0.17
Kentville	3,300	10,298	3.12	10.70	1.40
Liverpool	3,500	10,433	2.98	8.69	6.48
Lunenburg	3,000	2,555	0.85	0.12	0.44
Parrsboro	2,400	9,167	3.82	8.74	3.44
Pictou	3,200	1,739	0.54	2.02	1.52
Trenton	2,500	1,874	0.75	0.08	0.76
Westville	4,500	4,649	1.03	0.58	1.41
Windsor	3,400	7,276	2.14	1.94	1.00
New Brunswick—					
Bathurst	3,300	22,360	6.78	2.13	16.49
Chatham	4,017	414	0.10	1.79	0.47
Dalhousie	3,974	24,605	6.19	21.78	3.97
Newcastle	3,383	2,124	0.63	1.74	0.64
Sackville	2,234	2,944	1.32	58.08	2.30
St. Stephen	3,437	18,128	5.27	31.24	6.25
Sussex	2,252	230	0.10	2.04	7.58
Woodstock	3,259	14,316	4.39	12.16	8.35
Prince Edward Island—					
Summerside	3,759	2,734	0.73	0.22	0.91

Western Underwriters Ask Edmonton Enquiry

The Western Canada Fire Underwriters' Association is asking that a formal investigation be held into the efficiency of the Edmonton fire department. The demand arises from the way the department fought the $50,000 Edmonton Grain & Hay Co. fire. L. T. Chadwick manager of the association, is insisting the investigation be held despite the expressed belief of Mayor Clarke of Edmonton and of Commissioner Mitchell that no need for an enquiry had been demonstrated.

Fire & Casualty Agents Choose Same Executive

All last year's executive, and all but one member of the council were re-elected at the annual convention of the Ontario Fire and Casualty Insurance Agents' Association held in Toronto last week. C. T. Stephens, of Collingwood, was elected to the council succeeding R. V. Mark, of Lindsay.

Officers of the association are as follows: President, T. E. Clendinnen, Ottawa; past president, J. Innes Carling, London; vice-presidents, R. Patterson, M.P.P., Owen Sound, R. H. Beal, Hamilton, S. O. Mason, Welland; secretary-treasurer, Charles Priestman, Toronto.

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Saint John Dry Dock Alters Capital Structure

From Our Own Correspondent

MONTREAL, — Cargo tonnage handled at the port of Saint John during September amounted to 79,536 tons, of which imports represented 54,183 and exports 25,353 tons. For the same month last year imports totalled 44,498 tons, and exports 25,156 tons, making a total of 69,654 tons, or about 10,000 tons less than for the same month this year.

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HUDSON - TERRAPLANE

This business was founded in 1909, and the Hudson name has been used since then. In February, 1932, Hudson Motors of Canada Limited was incorporated in Canada and a factory established at Tilbury, Ont. The Terraplane was introduced in August, 1932.

Advertising of this company appears in—

Maclean's
Canada's National Magazine

◆

Offers Preferred Stock For Bonded Corp. Certs.

Sellers of Oil Royalty Certificates to Many Canadians Desire to Break Up Trust in Favor of "Permanency"

Founders of Bonded Corp., and sellers of Bonded Corp. oil royalty certificates to a large number of Canadians, are trying to get holders to exchange this 12 per cent security for preferred stock of the newly-formed High Tower Oil & Refining Co. (Canada), Ltd. They offer one share of High Tower preference stock and one share of its common stock for each $10 par value of certificates of interest issued by Bonded Corp. These Bonded Corp. certificates are outstanding under two trust agreements dated Sept. 28, 1932 and March 20, 1934, respectively. The Premier Trust Co. is trustee.

In a letter to the holders of bonded trust certificates, P. J. Campbell of Bonded Corp. suggests that the exchange would result in "permanency to the investment." He states that the company desires to provide for uninterrupted management of the assets of the trust.

Transfers Assets

As things stand, these certificates have oil royalty interests deposited with the Premier Trust Co. as security. As a result of regulations made by the Ontario Securities Commission, the company placed assets of $300,000 in addition behind these certificates. If the holders of the Bonded Corp. certificates accept the present plan, all those assets will be taken over by the new company. On the preferred stock, it will only be necessary to pay dividends as earned, whereas under the present arrangement, 12 per cent annually with a one per cent bonus is payable on the certificates so long as the oil royalties placed behind them are earning enough money.

Hightower Oil & Refining Co. (Canada) Ltd. claims to be a completely integrated unit in the oil industry. It owns all outstanding stock of Hightower Oil & Refining Corp., described as "producers, refiners and marketers of petroleum products under the registered trade name of Hightower."

Inadequate Data

Hightower Oil & Refining Co. was incorporated in 1935 under Ontario laws to develop and produce oil from its own oil leases. It is stated that it is already doing this, as well as refining oil for its own refinery and producing naphtha, gasoline, kerosene, gas oil and fuel oil. It also markets refined products through its own outlets. Inadequate information as to finances, earnings, assets are given in prospectuses sent Bonded Corp. certificate-holders and relayed to The Financial Post.

Authorized capitalization amounts to 300,000 six per cent preference shares of $10 par value. These shares are non-cumulative, non-assessable, full voting and redeemable at 110 per cent of par value. There are 300,000 common shares of no par value authorized. The company has no bonded indebtedness, it is stated, and the preference shares will be the senior security.

Directors and officers apparently include those who have been interested for years in the selling of oil royalty certificates of Bonded Corp. They are James A. Watt, pres., Montreal; W. H. Jex, vice-pres., Toronto; H. W. Greenwood, sec.-treas., Montreal; John Lowe, Valleyfield, Que., and G. S. Haines, of Toronto.

Has Refinery

The refinery of the company is located at Brownwood, Texas. Its capacity is not stated nor its character nor process. The prospectus states that the company owns in fee simple or controls by lease approximately 7,000 acres of producing and undeveloped oil territory. It has a number of drilling rigs, including heavy duty rotary type, 122-ft. derricks and over 30,000 feet of casing of various sizes. It owns railroad equipment, pipe line and heavy and light trucks for the transportation of crude and refined oil products. It has interests in oil-producing properties operated by major companies in other states. If the assets behind Bonded Corp. certificates are turned over to it, it will also have this income to finance the business of drilling new wells, refining the production and marketing the products. Success to date is not stated in dollars.

ALUMINIUM CO. SHOWS BIG GAIN IN EXPORT SALES

Handles Largest Percentage of Increased Export Trade

From Our Own Correspondent

MONTREAL.—Based on trade returns, export trade of Aluminium Co. of Canada, the Canadian operating subsidiary of Aluminium Ltd., is substantially greater this year than in 1934. Up to the end of last August, aluminum exports from Canada totalled over $6 millions, compared with $3.4 millions for the same period last year.

Expectations are that the percentage increase for the year will be even greater than shown in the eight months returns, because during the closing months of the navigation season export trade is particularly heavy.

Although the Aluminium Co. does not handle all export trade from Canada, by far the largest percentage is handled by that company. Consequently it is expected that the financial statement for 1935 will reflect the very large gain in shipments.

Earnings Are Greater

Another favorable factor is that the exchange situation has been more stable, especially British currency. In recent years the company has experienced a substantial loss on exchange so that the improvement in the volume of business together with greater stability in foreign exchange, should result in the company's reporting a marked improvement in its operating revenues for 1935.

Indicative of the improved position of the Aluminium Co. is the building activity being carried on at Arvida, where the company is spending about $1 million on plant to supplement present facilities there for treatment of bauxite ore from which aluminum is produced. This additional plant, which will be ready for operation early next year, will utilize a new chemical process, successfully tried out elsewhere, but hitherto not used in Canada.

World-wide Enterprise

The effect of war developments on Aluminium Ltd. is problematic, according to reports of Wall Street Journal. The company, through a subsidiary, operates a smelter as well as a fabricating plant in Italy, and this subsidiary needs to import only the bauxite ore. High rate of activity of this subsidiary is offset somewhat by possible effects of financial crises in Italy and other threatened developments. Aluminium Ltd. owns the entire capital stock of Societa dell'Alluminio Italiano, Turin, Italy, has a substantial interest in two smelting companies in Norway and has companies in seven other European countries and the Far East.

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Can. Tel. pf.	87½c	Nov. 1	Oct. 15
Bonded Corp. cert.	10c	Nov. 1	Oct. 24
Buffalo Ankerite .	5c	Nov. 15	Nov. 1
Bank of Tor. c. ..	$2.50	Dec. 2	Nov. 15
Beatty Bros. pf. ...	$1.50	Nov. 1	Oct. 15
B.C. Telephone, pf.	$1.50	Nov. 1	Oct. 17
Calgary Pwr. pfd.	$1.50	Nov. 1	Oct. 15
Candn. Bronze c. ..	15c	Nov. 1	Oct. 21
Do., pfd.	$1.75	Nov. 1	Oct. 21
Candn. Dredge c. ..	$1.00	Nov. 1	Oct. 22
Do., pfd.	$1.75	Nov. 1	Oct. 22
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Can. Iron Found. pf.	$1.50	Nov. 15	Oct. 31
Candn. Oil Cos. c.	12½c	Nov. 15	Nov. 1
Coast Brew..	23c	Nov. 1	Oct. 18
Can. Gen. Invest. .	10c	Oct. 15	Sept. 30
Can. Bk. of Comm.	$2	Dec. 2	Oct. 31
Dom. Bridge	30c	Nov. 15	Oct. 31
First All-Can. Tr.	7½c	Oct. 15	Sept. 30
Frost Steel & W. pf.	$1.75	Nov. 1	Oct. 19
Guelph Carpet ...	75c	Nov. 1	Oct. 21
Do., pref.	$1.62½	Nov. 1	Oct. 21
Gurd, Chas., pfd. .	$1.75	Nov. 15	Nov. 1
Highwood S. Oil ..	3c		Oct. 28
Hollinger Gold c. ..	.05	Nov. 4	Oct. 18
Humberstone Shoe c.	.50	Nov. 1	Oct. 15
Imperial Bank c. ..	$2.50	Nov. 1	Sept. 30
Int. Nickel, pf. U.S.	$1.75	Nov. 1	Oct. 2
Do., U.S.	8¾c	Nov. 1	Oct. 2
Inter. Pwr. pfd. ..	$1.00	Nov. 1	Oct. 15
Inter. Utilities, pf.	$1.25	Nov. 1	Oct. 23
Do., $3.50 pf. ...	62½c	Nov. 1	Oct. 23
Loblaw, A & B ...	25c	Dec. 2	Nov. 14
London Intl. Trust.	7½c	Nov. 1	Oct. 15
Kirkland L. G. M. c.	‡3c	Nov. 1	Oct. 15
Macassa Mines c. ..	5c	Nov. 1	Oct. 15
McIntyre-Porc. c. ..	50c	Dec. 2	Nov. 1
McLennan, McFeeley c. A	10c	Dec. 30	Dec. 23
Do., c. B	10c	Dec. 30	Dec. 23
Mtl. L., H. & P. c.	37c	Oct. 31	Sept. 30
Penmans Ltd. c. ...	75c	Nov. 15	Nov. 5
Do., pfd.	$1.50	Nov. 1	Oct. 21
Quebec Power, ..	25c	Nov. 15	Oct. 25
Royal Bank c.	$2.00	Dec. 2	Oct. 31
Royal Trust c.	80c	Oct. 31	Oct. 31
Rolland Paper pf...	$1.50	Dec. 2	Nov. 15
Russell Motor pfd.	$1.75	Nov. 1	Oct. 16
Do., on arrears ..	$1	Nov. 1	Oct. 16
Simpsons (R.) Ltd. p.	$3	Nov. 1	Oct. 16
Simpsons Ltd. pfd...	$1	Nov. 1	Oct. 19
Southern C. Pwr. c.	20c	Nov. 15	Oct. 31
St. Lawr. Flour c.	50c	Nov. 1	Oct. 19
Do., pfd.	$1.70	Nov. 1	Oct. 19
Steel Co. of Can. c.	43¾c	Nov. 1	Oct. 7
Do., pfd.	43¾c	Nov. 1	Oct. 15
So. Amer. Gold ..	10c	Nov. 27	Nov. 15
Shawinigan W. ...	12c	Nov. 15	Oct. 23
Second Std. Rlts. p.	1%	Nov. 1	Oct. 25
Sherbrooke Trust .	$1.50	Nov. 1	Oct. 16
Toronto Elevators, c.	$1	Nov. 15	Nov. 1
Toburn Gold c. ...	2c	Nov. 21	Oct. 21
United Corp. A ..	50c	Nov. 15	Nov. 1
Weston, Geo., pfd.	$1.75	Nov. 1	Oct. 19

‡Interim.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 21

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Oct. 19		Sales	Close Oct. 14 (or last)	Week Ending Oct. 21 High	Low	Close
				A					
2.00	.50	.	...	Abitibi ...	2751	.75	.90	.50	.85
9½	3	.	...	Do. pref. 6%.	350	4	4½	4	4
6½	3	.	...	Do. cert. dep.	25	4½	3½	3½	3½
5	5	.	...	Acadia Sugar ..	....	5	..	..	..
7	3	.	...	Acme Glove ...	....	5	..	..	..
45	32	3.25	7.7	Do. pref.	20	42	42	42	42
10	7½	40+20c	7	Agnew Surp. .	165	8½	8¾	8½	8½
103½	96	7	7	Do. pref.	5	100	100	100	100
3½	1	.	...	Alta. Pac. Gr. .	40	2½	2	2	2
29	15	.	...	Do. pref.	42	18	18	15	15
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric .	....	2	..	..	..
18	15	.	...	Do. pref.	....	15	..	..	..
28¾	16	40c	...	Amer. Cyn. B..	2700	24½	28¾	28	28½
30¾	25	.	...	Amer. Celanese	....	25	..	..	..
18	6	.	...	Asbestos v. t..	3559	14	16¾	14¾	16½
13¾	8½	.	...	Assoc. Brew. ..	275	10	10½	10	10½
110	104	7	6.4	Do. pref.	....	110	..	..	..
4	1½	.	...	Assoc. Can. ...	100	3½	3½	3	3
105½	104½	7	6.7	Atlan. Sugar, p.	....	105	..	..	..
				B					
66½	51½	2.52	4.8	Bank of Canada	583	54	54	51½	52
132	126	8	6.2	Bk. Can: Nat...	18	129½	129½	128½	128½
204	152	8	4.5	Bk. Montreal ..	254	174	181	178	178
305	245	12	4.7	Bk. N. Scotia..		255	258	254½	258
235	183	10	5	Bk. Toronto ...	41	200	200	200	200
11	10	50c	...	Barcelona	....	10½	..	..	..
10	4½	.	...	Bathurst Pr. ..	2295	8½	9	8	8¾
3½	1	.	...	Do. (B)	259	3	3½	2½	3½
3.00	.50	.	...	Bawlf Grain ..	....	.70	..	..	..
40	18	.	...	Do. pref.	....	18	..	..	..
3	3	.	...	Beath & Sons..	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	50	8½	8½	8½	8½

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Oct. 19		Sales	Close Oct. 14 (or last)	Week Ending Oct. 21 High	Low	Close
				H					
5½	3	.	...	Ham. Bridge ..	45	3¾	3½	3½	3½
33	18	.	...	Do. pref.	....	22	..	..	..
30½	24	50c	...	Ham. Cot., pf..	10	24	24	24	24
2½	1	.	...	Ham. U. Theat.	125	1	1	1	1
60	48	4	8.1	Do. pref.	10	50	49½	49½	49½
3½	2½	.	...	Harding Carpet	....	2½	..	..	..
12	10	12½c	..	Hinde & Dauch.	48	10½	10¾	10	10¾
6	5	.	...	Holt Renfrew ..	25	6	5	5	5
30	25	.	...	Do. pref.	25	30	25	25	25
.60	.15	.	...	Honey Dew ...	770	.50	.50	.45	.50
8	6	.	...	Do. pref.	....	8	..	..	..
13	9	.	...	H. Smith Pap. .	785	10	10	9¾	10
95½	84	.	...	Do. pref.	8	95	94	93	94
34	28	2	5.9	Humberstone S	....	34	..	..	..
11	6	.	...	Hunts (A)	10	6½	7	7	7
11	7	.	...	Do. (B)	....	7	..	..	..
103	81	6	7.3	Huron & E. Mt.	8	85	84	81	82
17½	15	.	...	Do. 20% pd...	....	15½	..	..	..
3½	3	.	...	Hydro Electric.	....	3½	..	..	..
				I					
208½	157	10	5.9	Imperial Bank .	207	163	171½	169¾	170
22½	15¾	50+37½c	4.3	Imperial Oil .	22234	19½	20¾	19½	20¾
14½	12	52½c	4.1	Imperial Tob. .	4492	12¾	13	12¾	13
7½	6¾	6%	..	Do. pref.	100	7	6¾	6¾	6¾
20½	17	1	...	Inter City Bak..	....	20½	..	..	..
42	25	3	7.5	Inter'c Coal ...	....	40	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
4¾	1½	.	...	Int. Hyd. E. A..	3900	3	3½	3	3
6	2	.	...	Int. Metal Ind..	50	3	3	3	3
45	25	.	...	Do. pref.	5	30	25	25	25
101¾	99	.	...	Int. Mill. p. n..	442	100	101½	100	101
32	22½	80c	2.5	Inter. Nickel ...	7704	31¾	32	30¾	31½

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)

October 23 1935

Dominion of Canada Bonds

		Due	Bid Oct. 23	Asked Oct. 23	Approx. Yield	Bid Oct. 16
Dominion	2	15 Oct. 1936	99.85	100.60	1.37	99.85
Dominion	5	15 Nov. 1936	102.75	103.75	1.40	102.75
†‡Dominion	5	1 Mar. 1937	105.75	106.75	...	105.75
‡Dominion	5½	1 Dec. 1937	106.75	107.75	1.72	106.25
Dominion	2½	15 Oct. 1939	100.25	101.25	2.16	99.75
Dominion	4	15 Oct. 1939	104.75	105.75	2.49	104.00
Dominion	4½	1 Sept. 1940	108.25	109.25	2.46	106.75
Dominion	5	15 Nov. 1941	108.85	109.85	3.20	108.00
Dominion	3	15 Oct. 1942	101.00	102.00	2.68	100.50
Dominion	2½	1 June 1943	99.00	100.00	2.50	98.50
Dominion	5	15 Oct. 1943	109.75	110.75	3.45	108.75
Dominion	4½	15 Oct. 1944	108.25	109.25	3.30	106.75
Dominion	4	15 Oct. '43-45	104.35	105.35	3.24▲	103.25
Dominion	4½	1 Feb. 1946	108.25	109.25	3.44	106.75
Dominion	3½	15 Oct. '44-49	101.50	102.50	3.17▲	101.75
Dominion	4	15 Oct. '47-52	104.25	105.25	3.46▲	103.00
Dominion	3	1 June '50-55	99.00	100.00	3.00	98.75
Dominion	4½	1 Nov. '46-56	106.50	107.50	3.66▲	106.00
Dominion	4½	1 Nov. '47-57	106.50	107.50	3.71▲	106.00
Dominion	4½	1 Nov. '48-58	107.00	108.00	3.72▲	106.50
Dominion	4½	1 Nov. '49-59	107.00	108.00	3.76▲	106.50

Dominion Guaranteed Bonds

		Due	Bid Oct. 23	Asked Oct. 23	Approx. Yield	Bid Oct. 16
*G. T. P. Ry.	3	1 Jan. 1962	98.50	99.50	3.03	98.00
Can. N. Ry.	3	1 May 1944	100.00	101.00	2.87	99.50
Can. N. Ry.	3	15 Dec. '45-50	99.00	100.00	3.00	98.50
*Can. N. Ry.	4½	1 Sept. 1951	108.75	109.75	3.69	108.25
*Can. N. Ry.	4½	1 Feb. 1956	108.75	109.75	3.81	108.25
†Can. N. Ry.	4½	1 July 1957	108.25	109.25	3.87	107.50
*Can. N. Ry.	4¾	15 June 1955	109.75	110.75	3.96	110.25
Can. N. Ry.	5	1 Feb. 1954	110.75	111.75	4.09	110.25
*Can. N. Ry.	5	1 July 1969	112.25	113.25	3.70▲	112.25
*Can. N. Ry.	5	1 Oct. 1969	113.25	114.25	3.94▲	113.25
*M. Harb. C.	5	1 Nov. 1969	113.25	114.25	3.94▲	113.25

Provincial Government Bonds

		Due	Bid Oct. 23	Asked Oct. 23	Approx. Yield	Bid Oct. 16
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	105.50	107.50	4.03	105.00
†N. Bruns.	5	15 Jan. 1960	108.00	110.00	4.33	108.00
N. Bruns.	5½	15 May 1950	110.00	112.00	4.39	110.00
N. Scotia	4½	15 May 1943	106.50	107.50	3.37	105.00
†N. Scotia	4½	15 Sept. '47-52	107.00	108.25	3.64▲	106.00
N. Scotia	4½	15 May 1961	108.00	110.00	3.89	107.00
†N. Scotia	5	1 Mar. 1960	110.00	112.00	4.21	110.00
*Ontario	4	1 June 1962	102.00	103.50	3.79	101.00
*Ontario	4½	1 Sept. 1944	106.00	107.50	3.51	106.00
Ontario	4½	1 June 1950	106.00	107.00	3.88	105.75
*Ontario	4½	15 Jan. 1962	107.00	108.50	3.98	107.00
Ontario	5	15 Oct. 1948	108.50	109.50	4.05	108.00
*Ontario	5	2 Dec. 1960	111.50	113.00	4.17	111.50
Ontario	5½	1 July 1946	110.75	111.75	4.16	110.00
O. H. C.	3½-4-5	1 Oct. '33-52	100.25	101.25	4.31●	100.00
*Ont. Hyd. C.	4	1 Aug. 1957	102.00	103.50	3.77	101.50
Ont. Hyd. C.	4¾	1 Jan. 1970	104.00	106.00	4.41	104.00
Quebec	4	15 Mar. 1952	104.00	106.00	3.52	102.50
Quebec	4¼	1 Aug. 1958	108.00	110.00	3.61	107.00
Quebec	4½	2 Jan. 1963	110.00	112.00	3.79	108.50
Western—						
†Alberta	4	1 Dec. 1957	86.50	88.50	4.84	86.50
†Alberta	4½	1 Oct. 1956	88.00	89.00	5.38	88.00
†Alberta	5	1 Jan. 1948	93.00	94.50	5.62	92.00
Alberta	5	1 Sept. 1955	92.00	94.00	5.50	91.00
*Alberta	5	1 Oct. 1959	93.00	94.50	5.41	92.00
†Alberta	5½	1 Jan. 1947	96.00	98.00	5.74	95.00
Alberta	6	1 Mar. 1947	98.00	100.00	6.00	97.50
†Brit. Col.	4	1 Dec. 1957	91.50	92.50	4.54	91.00
*Brit. Col.	4½	15 Jan. 1951	96.25	97.25	4.75	95.50
†Brit. Col.	4½	1 Oct. 1953	95.25	96.25	4.81	94.50
†Brit. Col.	5	15 Jan. 1948	98.50	100.00	5.00	98.50
Brit. Col.	5	1 Sept. 1953	98.50	99.50	5.04	98.00
Brit. Col.	5½	1 Feb., 1945	100.00	101.00	5.36	99.50
Brit. Col.	6	15 Feb. 1947	101.00	102.00	5.76	100.50
†Manitoba	4	1 Dec. 1957	96.50	98.00	4.14	95.00
†Manitoba	4½	15 Dec. 1956	100.00	102.00	4.36	99.50
†Manitoba	5	15 June 1954	103.00	105.50	4.60	102.00
*Manitoba	5	2 Dec. 1959	104.50	107.00	4.58	103.50
Manitoba	5½	1 Oct. 1955	103.50	105.00	5.06	103.00
Manitoba	6	1 Apr. 1947	105.50	106.50	5.19	104.50
Sask.	4	15 Aug. 1953	87.50	88.50	4.98	87.00
*Sask.	4½	2 July 1945	96.50	97.50	4.82	95.00
†Sask.	4½	1 Oct. 1951	94.00	95.00	4.96	93.00
Sask.	5	1 Aug. 1958	97.50	99.00	5.07	97.00
†Sask.	5½	15 Nov. 1946	100.50	101.50	5.31	100.50
Sask.	6	15 Mar. 1952	103.50	105.00	5.53	102.50

Municipal Bonds

		Due	Bid Oct. 23	Asked Oct. 23	Approx. Yield	Bid Oct. 16
†Calgary	5½	2 June 1944	75.00	85.00	7.90	75.00
†Edmonton	5½	1 Nov. 1945	83.00	87.00	7.35	83.00
†Halifax	5	1 July 1961	109.00	110.00	4.35	110.00
Hamilton	5	1 May 1950	100.00	104.00	4.61	100.00
Montreal	5	1 Mar. 1945	103.00	104.50	4.41	102.00
Ottawa	4½	1 July 1945	103.00	107.00	3.64	103.00
†Quebec	5	1 June 1959	106.00	107.00	4.52	104.00
Regina	5	1 July 1944	75.00	80.00	8.25	75.00
St. John	5	15 Dec. 1950	106.00	107.00	4.37	105.00
†Toronto	4½	1 Jan. 1955	105.00	107.00	3.98	104.50
Vancouver	5	1 June 1969	86.00	90.00	5.66	86.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.56	100.00

Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

October 22, 1935

Public Utility Issues:	Int. Rate	Due	Bid Oct. 22	Asked Oct. 22	Bid Oct. 15
‡Avalon Telephone	5½%	1948	99½	...	99½
Beauharnois L., H. & Power	5½%	1973	88½	91½	92½
Beauharnois Power Corp.	5%	1973	33½	36½	34
*Bell Telephone	5%	1955	112½	115	112½
*Bell Telephone	5%	1957	116	118½	116
†B. C. Power	5%	1960	99½	101½	99
†B. C. Power	5½%	1960	103	105½	102
†B. C. Telephone	5%	1960	105½	108	105½
†Calgary Power	5%	1960	92½	95	92
Calgary Power	5%	1964	91	94	90½
†Canada Northern Power	5%	1953	101	103	101½
†Cedars Rapids Mfg. & Pwr.	5%	1953	113½	116	113
Dominion Gas & Electric	6½%	1945	83	86	82½
aDuke-Price Power	6%	1966	103	105	102½
*Gatineau Power	5%	1956	82½	84½	84½
*Gatineau Power	6%A	1941	64	67	70
*Gatinuea Power	6%B	1941	63½	66½	69
*International Hydro-Electric	6%	1944	42	45	45
†Maclaren-Quebec Power	5½%	1961	64½	67½	68
Maclaren-Quebec Power	5½%	1964	64½	67½	65
*Manitoba Power	5½%	1951	58½	61½	59½
†Montreal Island Power	5½%	1957	103	105½	102
†Montreal L., H. & Power	5%	1951	107½	109½	107½
†Montreal Tramways	5%	1955	82½	85	83
†Montreal Tramways	4½%	1955	77½	80½	78
†Montreal Tramways	5%	1941	100½	103	101½
National Light & Power	6%	1949	92	95	92
†N. S. Light & Power	5%	1958	102½	105½	102½
†Ottawa Light, Heat & Power	5%	1957	105½	108	105½
†Ottawa Valley Power	5½%	1970	88½	91½	93
†Power Corp.	4½%	1950	82	85	83½
†Provincial Light & Power	5%	1946	106	...	106
*Quebec Power	5%	1968	105	108	105½
†Shawinigan Water & Power	4½%	1970	98½	100½	99
†Shawinigan Water & Power	5%	1970	103½	105½	104
†Southern Canada Power	5%	1955	105½	108	105½
†United Securities	5½%	1952	76½	79½	76½
†West Kootenay Power	5%	1956	105½	108	105½
†Western Power Co.	5%	1949	105	107½	104½
*Winnipeg Electric	5%	1935	98	100	98
*Winnipeg Electric	6%	1954	60	63	59½
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	30½	32½	31½
†Acadia Sugar	6%	1946	104½	...	103½
†Alberta Pacific Grain	6%	1946	88½	91½	88½
‡Asbestos Corp.	5%	1942	85½	...	85½
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105½	107½	105½
British American Oil	4%	1945	101	103	101
Burns & Co.	5½%	1948	62½	65½	61
Canada Bread	6%	1941	106½	109	106½
†Canada Cement	5½%	1947	103	105	103
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	41½	44½	42
†Canadian Canners	6%	1950	104	105½	104
Canadian Cons. Felt	6%	1940	103	...	103
C. P. R.	6%	1942	106½	109	106½
C. P. R.	4½%	1944	94	96½	94
C. P. R.	4%	1949	93	96	93½
†Canadian Vickers	6%	1947	77	80	77
Consolidated Paper	5½%	1961	15	17	17
†Dominion Canners	6%	1940	108	111	108
†Dominion Tar	6%	1949	99½	102	99
†Donnacona Paper	5½%	1948	38½	41	40
†Eastern Dairies	6%	1949	85	88	85
Eaton T. Realty	5%	1949	101	103	101
†Famous Players	6%	1948	101½	103½	101½
†Famous Players	6½%	1948	95½	98½	95
†Federal Grain	6%	1949	93	96	92½
Fraser Companies (unstamped)	6%	1950	60	...	60
Fraser Companies (stamped)	6%	1950	54½	...	54½
†General Steel Wares	6%	1952	93	96	92½
Great Lakes Paper	6%	1950	38	40	40
†Gypsum, Lime & Alabast.	5½%	1948	87½	90½	87
Hamilton Cottons	5½%	1948	100½	103½	100½
*Hinde & Dauch	5½%	1948	102	104½	102
†Internat'l. P. & P., Nfld.	5%	1968	101	103	101
Inter City Baking	5½%	1948	99½	102½	99½
Inter-City West Bakeries	6½%	1950	26	...	26
Lake St. John Pwr. & Pap.	6½%	1947	71	74	71½
†London Can. Invest.	4½%	1948	81	...	80
†Massey-Harris	5%	1947	85	87½	84½
McColl-Frontenac	6%	1949	104	106	103½
Metropolitan Bldg.	7%	1944	100	...	100
Minn. & Ont. Paper	6%	1945	15	17	16½
‡Montreal Cottons	5%	1947	101	...	101
Montreal Dry Docks	6%	1948	66½	69½	66½
*Provincial Paper	5½%	1947	101½	103½	102
*Reliance Grain	6%	1948	100	...	99½
Richmond Bay Bldg.	6½%	1947	93½	96½	93½
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1948	94½	97½	94½
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103	106	103
Simpsons Ltd.	5½%	1949	99½	...	99½
†Smith, Howard	5½%	1953	103	106	103
‡Steel Co. of Canada	6%	1940	111½	...	111½
United Amusement	6%	1942	98	...	98
United Corpns.	5%	1953	87	...	87
United Grain Growers	5%	1948	94½	97½	93½
United Grain Growers	5½%	1949	96½	99½	96½
‡Wabasso Cotton	6%	1947	102½	...	102½
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	68½	71	68½
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	...	99½

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. aPayable in U. S. only. *Payable in Can. or U. S.

Unlisted Mining Stocks

October 22, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Synd.	1.10	1.20
Adanac	.04	.06
Ardeen	.10	.11
Athona (Gt. B. L.)	.45	.48
Athabaska Portals	..	.28
Bailor	..	.01
Bidgood Kirk.	.07	.08
Bankfield Gold	.32	.34
Bathurst	.00¾	.01½
Bosquet Gold	.05	.06
Can. Pandora	.02½	.03½
Can. Radium	..	.35
Casey Summit	.08	..
Canusa Mining	.04	.05
Casey Contact	.02	.03
Central Porc.	.14	.16
Cons. Chib. Free	.64	.66
Cons. Chib. Pool	.63	.65
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	..	.01
El Bonanza	.12½	.14
Forty-four Gold	3.00	4.00
Glenora Gold	.06	.07
Galatea	.05	.06
Goldside	.03½	.04½
Gold Eagle	.21	.25
Greenlaw	.04	.05
Hislop Gold	..	.06
Horseshoe	.01½	.02½
Hudson Patricia	.08½	.09½
Jellicoe	.07½	.08½
Johnson Nip.	.02½	.03½
Kirk. Gold Belt	..	.09
Lafayett L. Lac	.01¾	.02½
La Palme	.36	.38
Long Lac Lagoon	.03½	.04½
Lamaque Gold	2.14	2.20
MacFarlane	..	.02
MacL. Cockshutt	.05	.06
Magnet Lake	.03½	.04½
Marbuan	..	.40
Matachewan Can.	.09	.11
McCarthy Webb	.03½	.04½
Morrison Mines	..	.15
Mosher	.02	.03
N.A.M.E. Un.	34.00	..
North Shores	.01½	.02½
Oklend	.21	.23
O'Leary	.07	.08½
Pamour Porc.	2.98	3.03
Rice Lake	.01½	.02½
Shawkey	.43	.45
Silverado Gow.	..	.30
Smelter Gold	.05	.06
Smith Cobalt	.09½	.10½
Straw L. Beach	..	.09
Sturgeon R. Gold	.58	.61
Sun Bear	..	.12
Thom.-Cadillac	.02½	.03½
Wells L. Las	.06½	.07½
Wingold	..	.05
Young David	.15	.17
Wendigo	.13	.15

Winnipeg Stock Exchange

(Transactions from Oct. 14 to Oct. 19)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Oct. 19
..	..	Ballor Gold	5,000	.00½	.00½	.00½
..	..	Crescent Creamery, pf.	11	28.00	28.00	28.00
..	..	Canadian Rand	1,000	.02½	.02½	.02½
..	..	Bankfield	100	.35	.35	.35
..	..	Flin Flon Synd.	5,000	.25	.22	.23
..	..	Gold Lake	9,120	.34	.31	.32
..	..	Island Lake	8,000	.03	.02	.03
..	..	Knee Lake	2,000	.33½	.33	.33
1	5.8	Monarch Life	25	17.00	17.00	17.00
1	8	United Grain	11	12.50	12.50	12.50
..	..	Wingold	2,200	.04	.03	.03
..	..	Wylie Dom.	3,650	.10	.08½	.08½
..	..	West. Breweries	50	1.75	1.75	1.75

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Candn. Fire Ins.	75	..
City Dairy, A	9½	10
Federal Grain	..	95
Northern Trust	6	..
Great-West Life	390	400
Home Invest.	25.00	..
Rel. Grain, pfd.	70	..
West. Grain, pfd.	8	..
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	3.85
Fundamental A	5.19	5.75
Series B	4.90	..
Grouped Inc.	4.92	5.40
Pelissiers, pfd.	15.00	..
Vanson Man.	.02	.03
Wallace Lake	..	.03

*Stocks more active on other exchanges not included.

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Oct. 19		Sales	Close Oct. 14 (or last)	Week Ending Oct. 21 High	Low	Close
30	23	2	8.7	United Secs. ...	....	23	..	..	..
5	2	.	...	United Steel ..	1105	2½	3	2½	3
				V					
2.00	1.00	.	...	Viau Biscuit ..	....	1.30	..	..	..
20½	12	.	...	Do. pref.	....	15	..	..	..
				W					
27	16	.	...	Wabasso Cot. ..	55	19	18	18	18
33	23	.	...	Walker-Good. .	20162	25	29½	25½	29
18½	16½	1	5.6	Do. pref.	4257	17¾	18	17½	17½
4.25	2.00	.	...	Walkerville Br.	2570	2.70	3.00	2.60	3.00
2.75	1.00	.	...	Waterloo Mfg. .	....	1.10	..	..	..
6	2½	.	...	West. C. Flour.	85	4½	5½	4½	5½
52	20	.	...	Do. pref.	98	24½	35	30	35
45	32	50c	...	West. Grocers .	....	45	..	..	..
101	95	7	6.9	Do. pref.	....	101	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
17	13½	60c	4.1	Weston Ltd., n..	510	14¾	15	14½	15
115	108	7	6.2	Do. pref.	10	110	113	113	113
8½	1½	.	...	Whittall Can ..	255	8½	8¾	8½	8½
113	75	6.50	5.7	Do. pref.	215	111	113	112	112
3	2	.	...	Windsor Hotel .	....	2	..	..	..
8	4	.	...	Do. pref.	....	4	..	..	..
2.25	.90	.	...	Winnipeg Elec..	5	1.25	1.25	1.25	1.25
10	4	.	...	Do. pref.	15	7	5½	5½	5½
30	20½	.	...	Wood, A & J, p	20	20½	20½	20½	20½
70	50	.	...	Woods Mfg. pf.	....	50	..	..	..
				Z					
5½	2½	.	...	Zimmerknit, c..	....	2½	..	..	..
85	63½	.	...	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933. b New York Quotations.
† Quotations for 1931. ▲ On account of arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

October 22, 1935

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	3.10	3.35
Do., pfd.	4.75	5.10
Acme F. Dairy, p.	42.50	...
Andian National	46.00	47.25
Atlantic Sugar, p.	105.00	106.00
B. C. P. & P. pfd.	10.00	15.00
Burns & Co., A	5.25	6.25
Do., B	3.10	3.75
Can. & Dom. Sug.	56.25	57.00
Canada Paper, p.	66.00	75.00
Canada Starch, c.	14.00	...
Do., pfd.	84.50	...
Canada Tea, pfd.	31.00	...
Can. Tube 1st pfd.	30.00	...
Can. Wire & C. 6½% p.	68.00	70.00
Can. Indust. A, c.	198.00	...
Do., B, com.	197.00	200.00
Do., pfd.	160.00	162.00
Can. P'board, p. b.	4.00	6.00
Can. Westing.	48.00	50.50
Chase, A. W. p. b.	23.00	...
Cl. Neon Ad. U.	4.50	...
Corr. P. Box, pfd.	86.50	88.50
Dom. F. & St. com. (New)	21.00	23.00
Do., pfd. (New)	81.00	84.00
Donna. Paper, A	3.50	5.00
Dufferin Pav. p.	35.00	...
Dunlop Tire, pfd.	...	86.00
East. Dairies, pfd.	11.50	12.50
Edm. C. Dairy, p.	55.00	...
Fed. Grain, com.	.75	1.15
Do., pfd.	27.00	28.50
God. Elevator	5.50	6.25
Greening Wire, p.	101.00	103.00
Guelph Carpet, p.	98.25	99.50
Do., com.	14.50	15.50
Highland Dairy, c.	2.90	3.40
Do., pfd.	72.00	80.00
Huether Brew. p. bon.	2.35	3.00
Inter City Bak., c.	18.50	20.50
Inter. Met. Ind. A pfd.	27.00	32.50
Maple Leaf Gdns. pfd.	3.35	4.00
Massey Harris, pf.	24.50	25.50
Mercury Mills, pf.	5.00	7.00
Morrow Screw, p.	95.00	99.00
New M. Laund. pfd. bonus	64.00	69.00
Niag. W. Weav. p.	51.50	54.00
Prov. Paper, pfd.	96.00	97.50
Rel. Grain, pfd.	70.00	...
Rob. Cons. Cone	8.75	9.25
Rolland Paper, p.	89.00	91.00
Ruddy, E. L., p.	28.50	...
Silverwood's Dairies pfd.	40.50	42.50
Stand. Fuel, p. b.	103.00	104.50
Super. Pet. B, p.	26.50	28.00
Toronto Carpet p.	26.00	...
United Steel A, p.	4.00	4.75
West. Grain, p. b.	10.00	11.00
Willards Choc., p.	7.50	....
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & W. Tr.	35.00	37.00
Premier Trust	86.50	90.50
Sherbrooke Tr.	110.00	...
Sterling Trust	30.00	35.00
Traders Fin., B, p.	64.00	...
Trusts & Guar.	24.50	...
Insurance Stocks:		
Brit. America	36.50	38.50
Canada Life	500.00	510.00
Canadian Fire	75.00	77.50
Can. Ins. Sh., c.	10.00	11.00
Conf. L. 20% pd.	118.00	122.00
Cont. L. 20% pd.	36.00	40.00

	Bid	Asked
Insurance Stocks: (Cont.)		
Crown Life	106.00%	...
Dominion Fire	110.00	120.00
Dom. L. 50% pd.	261.00	300.00
Dom. Can. Gen.	75.00	...
Empire L. 25% pd.	5.00	6.50
Excel. L. 30% pd.	69.00	72.00
Fed. Fire 25% pd.	34.00	38.00
Fidelity of Can.	48.00	56.00
Gt. West	387.00	396.00
Guar. of N. A. fully pd.	241.00	...
Imperial Life	305.00	...
Manuf. Life	254.00	260.00
Mon. L. 10% pd.	17.25	19.50
Nat. L. 25% pd.	53.00	57.00
Sover. L. 25% pd.	12.50	16.00
Sun Life	400.00	420.00
Toronto Gen. Ins.	4.75	5.50
West. Assur. c.	35.25	37.00
West. Assur. 12% pfd.	40.00	45.00
West. Emp. L. 25% pd.	...	9.75
Theatre Stocks:		
Allens Beach, p.	55.00	...
Allens Calgary, c.	7.00	10.00
Allens Kings., p.	52.00	...
Allens Parkdale p.	40.00	45.00
Allens Tor. p. b. com.	24.50	...
East. Theat., com.	7.00	...
East. Theat. pfd.	80.00	...
Loew's London p.	1.80	2.10
Loew's Tor., pfd.	111.00	115.00
Mansf. Theat., p.	24.50	26.00
Para. Kitch., p.	30.00	35.00
Para. Oshawa, p.	37.00	...
United Amuse., A	12.00	13.00
United Amuse., B	11.00	11.50
Investment Trust Shares:		
Can. Gen. Invest.	6.30	6.50
Can. Investors	6.50	7.35
Can. Int. Tr. U.	26.50	29.00
Cons. Div. St. Sec. Units	10.75	12.00
Deb. & Sec. pfd.	30.00	...
Dom. & Anglo Inv. Units	199.00	...
Dom. Scott. Inv. Units	23.50	25.00
For. P. Sec., pfd.	4.15	6.00
Invest. Found. U.	40.50	42.00
Sec. Holding U.	11.50	13.00
United Corpns. A	19.25	20.00
Do., B	5.65	6.50
Power Issues:		
Can. L. & P., com.	24.00	27.00
Can. Pub. Serv., p.	23.50	...
Can. W. N. Gas., p.	89.00	91.00
Can. W. N. Gas, c.	21.00	23.50
Gt. Lakes Pwr., p.	67.00	71.00
N. B. Tele., com.	10.25	11.50
Nor. Ont. P., pfd.	96.00	...
N. S. L&P, com.	48.50	...
N. S. L&P, pfd.	97.50	99.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	4s. 3d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	18s.
Do., pref.	82s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Listed Bond Quotations

Week Ending Oct. 21, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs Curb	3	1939	3.00	..	50½	49¾	50¾	46
Bell Tele.	5	1955	3.9	..	113½	..	113½	113½

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

EDITOR WANTED

A national weekly newspaper has an opening for a really high-class, thoroughly trained news editor capable either of taking complete charge of news coverage or of handling one or two major departments. The necessary qualifications are: adequate experience, imagination in planning feature articles and coverage of news, ability to train men and bring out their best; a facile, readable style that combines factual accuracy and sound interpretation with human interest value.

This sets a pretty high standard but there are good men in Canada looking for an opportunity like this and we would like to hear from some of them. It is probable that the right man is presently employed but is seeking a larger opportunity.

Some newspaperman who sees this advertisement may know of a friend who would appreciate having it drawn to his attention. Box 245, The Financial Post, Toronto.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 193

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the second day of December next, to shareholders of record at the close of business on the 31st day of October, 1935.

By order of the Board.

S. G. DOBSON,
General Manager

Montreal, Que., October 11, 1935.

The Canadian Bank of Commerce

Dividend No. 195

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1935, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd December next, to shareholders of record at the close of business on the 31st October, 1935. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 18th October, 1935.

The Bank of Toronto

Dividend No. 217

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the second day of December next, to shareholders of record on November fifteenth, 1935.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Fifteenth day of January next, the chair to be taken at noon.

By order of the Board.

H. B. HENWOOD,
General Manager.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of Twelve (12c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 23rd, 1935.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, October 16, 1935.

The Guelph Carpet & Worsted Spinning Mills Limited

Common Dividend No. 13

Notice is hereby given that a dividend of seventy-five cents (75c) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet & Worsted Spinning Mills Limited, payable November 1, 1935, to Shareholders of record at the close of business October 21, 1935.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 18, 1935.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 26

Notice is hereby given that a dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended October 31, 1935, payable November 1, 1935, to Shareholders of record at the close of business October 21, 1935.

By Order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 18th, 1935.

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock, Ottawa, Canada, October 21, 1935. The Board of Directors has declared a quarterly dividend of 1½% ($1.50) a share) on the shares of 6% Cumulative First Preferrred Stock of the Corporation payable in cash December 2nd, 1935, to holders of record of such stock at the close books will not close.

Cheques will be mailed. Stock transfer books will be closed.

J. R. BINKS,
Secretary.

Week In Wheat

Board Gets Deliveries in Hull Week

Eastern Channels Plugged

The wheat market has been dull.

It has been unable to make headway against the adverse influences which developed last week. There has been little or no pressure. Practically all wheat delivered by farmers during recent days has been going to the Wheat Board. The reason, of course, is that market prices for most grades have been at or below the minimum fixed prices of the Board. Hardly anyone except the Board has had any wheat for sale in quantity.

But there has also been an absence of any great amount of buying, because overseas millers still manage to hold off from making any except hand-to-mouth purchases.

Eastbound movement of wheat from Fort William and Port Arthur has continued at a high rate, and eastern channels are now plugged practically full. The Wheat Board appears to have disposed of a good deal of its cash wheat to commercial interests. But it is believed still to be holding futures contracts against such wheat. Lake freight rates are showing a tendency to weaken, indicating that possibly the peak of the movement has passed.

In view of the great quantities available in the East, there is no pressing desire to move further quantities which might have to be carried in winter storage. Grain has backed up so that some Alberta elevators are unable to take in more grain until they get relief. Shifting of grain from one country elevator to another will probably help. A similar situation is expected at some Saskatchewan points.

Vancouver Disappointed

THE grain trade at Vancouver is currently much disappointed at the difficulty, now almost an impossibility, of doing much business with Great Britain and the rest of Europe. Grain from the Atlantic is quoted cheaper than from Vancouver.

Advancing freight rates have increased Vancouver's comparative disability against Atlantic ports. The only compensation would be a decline in prices for grain at that port. Prices asked there are practically controlled by the Canadian Wheat Board. It set its price for grain delivered at Vancouver on the same basis as grain delivered at Port Arthur or at the head of the lakes. Because this was out of line with actual market conditions, the board has been getting practically all grain delivered by farmers in the area. The trade at Vancouver fears a continuation of these conditions unless there is either a general advance in wheat prices, or a decline in freight rates.

But they hope for a substantial wheat export business to China. Australian wheat will probably continue to undersell the higher grades of Canadian wheat in the Orient. Probably, however, Canadian wheat of grades 4, 5 and 6 will be the lowest priced in the world laid down at Chinese ports.

The great difficulty in displacing Australian wheat in the Oriental market is the fact that such wheat has only two principal markets, the Orient and Great Britain. The quantities which can be sent to Great Britain are not subject to any great possible increase, because Australian wheat is soft. Nor can much of it be sold on the continent. Occasionally Australia manages to dispose of some wheat in India or in Egypt.

* * *

Election Discounted

WHEN a decline in wheat prices set in almost immediately after the Canadian general election, it was almost inevitable that this should be attributed to a change in selling policy of the Wheat Board. But although such supposed connection was discussed on leading grain markets there is good reason to doubt if the actual selling of the Wheat Board has shown any change. There is also good reason to believe that there were more important influences at work than the expectation of such a change.

Chief of these latter were the improved prospects of wheat production in the Southern hemisphere. Along with this was the appearance of heavy shipments of wheat from Russia, creating uneasiness as to the total quantity which that country might spare. Concurrently there was disappearance of speculative interest based on war dangers in Europe.

* * *

Selling Reasons

IF, AS may be the case, the Wheat Board develops a greater inclination to sell, that inclination might develop from two separate causes. One is that the outlook is perhaps not quite so bullish as it appeared to be a few weeks ago. The other is the fact that the board is getting more wheat to sell. So long as market prices were substantially above wheat board minimum prices for any grades of wheat, the bulk of such deliveries was sold on the open market. But every decline in prices tended to increase the percentage going to the board and consequently the percentage of sales occurring on the market which must be made by the Board if sales are to keep pace with deliveries.

* * *

U. S. Factor

IT IS not thought likely that those Chicago observers are correct who attribute swings on the market there to developments at Winnipeg. Prices within the United States are subject mainly to domestic conditions.

Reports of a satisfactory seeding season in the winter wheat belt created a feeling that wheat supplies might be fairly plentiful after next July. This was probably as important in scaling down prices as anything which occurred outside of the country. Minneapolis prices are running at large premiums over Chicago, because of the scarcity of hard spring wheat within the country. This tends to sell at close to the price of Canadian wheat plus duty of 42 cents a bushel. Any decline in Winnipeg lowers the possible height of Minneapolis prices for such wheat, without any necessarily important effect on prices for other types of wheat at Chicago. True, a Winnipeg decline may result in slightly greater imports of Canadian wheat for United States milling, but the margin for such change is small. Probably United States imports of Canadian wheat will not be less than 20,000,000 bushels nor more than 50,000,000 bushels in any event.

* * *

Conflicting Argentine Reports

REPORTS of Argentine conditions are conflicting. It now appears that just as earlier reports of drought conditions were somewhat exaggerated so also have been recent reports of the beneficial results of recent rains. Export surplus may be smaller than the 88 million bushels recently suggested by Liverpool.

* * *

Feed Wheat

THE Grain Standards Board has considered but rejected proposals to establish a second grade for feed wheat of especially light wheat. That the proposal should be made, indicates the large quantity of such grain, and the difficulties anticipated in its disposal. Under other conditions the increasing demonstration through deliveries and inspections of the large percentage of the Western crop which is unfit for milling would have a bullish effect, but little current attention is being attracted outside of Canada.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Terminal elevators (Oct. 18)	75,441,000	74,911,000	77,595,000
Country elevators (Oct. 11)	80,257,000	76,760,000	94,204,000
Total (all points), (Oct. 11 incl. Term. wk. Oct. 18)	155,698,000	151,671,000	171,799,000
World Shipm'ts. (incl. flour), (wk. Oct. 14)			
North American	3,396,000	3,910,000	3,128,000
Argentine	1,874,000	3,123,000	4,272,000
Australian	1,816,000	1,936,000	2,808,000
Others	2,776,000	3,040,000	1,600,000
Total (world)	9,862,000	12,009,000	11,808,000
Country Marketings and Exports:†			
Canadian exports (Oct. 11)	2,499,000	3,095,000	4,199,000
Cum. to Oct. 11 (10 weeks)	22,971,000	20,472,000	31,951,000
Country marketings (Oct. 4)	18,514,000	18,048,000	8,457,000
Cum. to Oct. 4 (9 weeks)	97,459,000	78,946,000	94,104,000
Country deliveries (Cum. Oct. 18)‡	133,315,000	119,987,000	123,897,000
Country loadings (Cum. Oct. 18)‡	95,569,000	85,086,000	87,583,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Oct. 22, 1935

Crop year from Aug. 1, 1935 High	Low		Open Oct. 16	High for week	Low for week	Close Oct. 22
		Wheat				
.98½	.82⅝	Oct.	.91⅞	.92⅛	.88⅝	.89⅛
.98¼	.82⅝	Dec.	.92½	.92⅝	.89	.89⅝
1.02¼	.85⅝	May	.96¼	.96½	.92⅞	.93½
.98	.89	Nov.	.92⅝	.92⅝	.89	.89⅝
		Oats				
.35½	.29¾	Oct.	.31⅛	.31¼	.29¾	.29⅞
.33⅛	.27¾	Dec.	.30⅝	.30½	.27¾	.27¾
.35⅝	.30⅝	May	.32⅞	.33⅛	.30⅝	.30⅝
		Barley				
.39⅛	.32	Oct.	.34¾	.34¾	.32	.32
.39½	.32¾	Dec.	.35¾	.35⅞	.33	.33
.42½	.35⅞	May	.38¾	.38¾	.35⅞	.36
		Flax				
1.49½	1.21¼	Oct.	1.45	1.45½	1.39¾	1.40⅛
1.48⅝	1.19¾	Dec.	1.43¼	1.44	1.39⅛	1.39¾
1.54	1.33	May	1.48¼	1.48¾	1.42½	1.43⅝
1.46¼	1.39	Nov.	......	1.44⅛	1.40	1.40
		Rye				
.47½	.36¾	Oct.	.44	44	.40½	.40⅞
.49½	.38⅛	Dec.	.45	.45⅛	.41¼	.42
.51⅞	.42	May	.49	.49	.42	.45⅝

Wheat Pool's Creditors May Present Old Claims To Get Part of Payments

Merchants, Banks and Mortgage Companies Delve Into Files

PAYMENT DOUBTFUL

From Our Own Correspondent

WINNIPEG.—In spite of the widespread doubt that exists as to whether payment to a portion of wheat pool membership announced just before the election will ever be made, banks, trust and mortgage companies, merchants and wholesalers have lately been digging up long-forgotten files. If anything is going to be paid they will try to secure a portion.

Two Grounds

Claims would be presented on two different grounds. In the old days the wheat pool was used to a very large extent as a collecting agency by farmers' creditors. Pool members lacking cash were accustomed to draw orders on the wheat pools against payments that might subsequently become due. Large sums of money were thus paid out up to 1929. After this, however, there were never any second payments out of which such orders could be cashed. Nevertheless the practice of giving and receiving such orders continued and a large volume was lodged in pool offices against any second payment that might materialize on the 1930 crop.

The present status of such orders is doubtful. In some cases outstanding accounts have been otherwise settled. Some farmers and creditors had long since abandoned any expectations of further payment. In other cases, although the debt continued, the order on the wheat pool was cancelled. In a large number of cases, however, the debt has continued and the order has remained.

Certificates as Assignments

Some farmers also were accustomed to assign their participation certificates, if they had them, to authorized creditors. This was almost always done when bank loans were secured or extended, frequently for mortgage or debt payments.

Even where assignments had not been made a number of farmers will have lost or destroyed their participation certificates during the five-year period when they were considered to be of no value.

Another difficulty exists in Manitoba, where the provincial wheat pool passed into bankruptcy some time ago. In theory, any further payments made on the 1930 crop would be payable by the Central Selling Agency to the Manitoba Pool, and in turn by that organization to its members. There are known to be some outstanding claims against the Manitoba Pool. It may become a question whether or not payments such as those suggested could be attached by creditors of the bankrupt pool. Manitoba Pool Elevators, the surviving pool organization in the province, has circularized members to deposit evidence of their claims with it.

Transaction Not Closed?

Doubt as to any payment materializing is based on the fact that the announced transaction, which was to make money available for distribution, does not appear to have been closed. So far as can be learned, the McFarland stabilization stocks appear still to be in the hands of the pool organization, Canadian Co-operative Wheat Producers Ltd. Of unknown proportions, they are in the form of futures contracts and owned wheat in elevators. The greater the percentage of the latter, the greater the amount of money borrowed from the banks on these stocks and contracts under government guarantee. This total probably runs somewhere between $70 millions and $100 millions.

Steps to Payment

The various steps necessary before a payment could be made would be:

1. Fixing a price, for transfer to the Board, higher than accrued cost and higher than current market values, which would show a profit. Published pool statements claim that this has been done.
2. Approval of such price by order-in-council, which may or may not have been done.
3. Giving government guarantees to the banks for the borrowing of the necessary millions to make such a payment. It is believed that the banks have received no such guarantee.
4. Transfer of money and stocks between Canadian Co-operative Wheat Producers Ltd. and the Board, which is known not to have occurred.
5. Liquidation of bank loans of Canadian Co-operative Wheat Producers, and presumably the concurrent withdrawal of government guarantees for the operation of that body.
6. Transfer of surplus created by the arbitrary price to the provincial pool organizations.
7. Liquidation of such assignments of claims by members as may exist.

Apparently only the first step, and that possibly only in part, has been taken.

Wheat Prices

(Cash Quotations)

	Aver. for wk. Oct. 11 $	Previous week $
At Winnipeg		
No. 1 Man. Hard	0.934	0.940
No. 1 Northern	0.927	0.943
No. 2 Northern	0.900	0.913
No. 3 Northern	0.854	0.867
No. 4 Northern	0.805	0.820
No. 5 Wheat	0.720	0.729
No. 6 Wheat	0.636	0.658
Feed Wheat	0.507	0.523
At Vancouver:		
No. 1 Northern	0.897	0.916
At Toronto:		
Milling Wheat	0.82	0.78

Competitive Export Prices: (October) shipment:

	High Week to Oct. 18 $	Low $
No. 1 North. (Vanc.) ...	1.08⅝	1.06
No. 2 North. (Atlan.) ..	1.04¼	1.02½
No. 2 North. (Vanc.) ...	1.03¼	1.02⅞
Argentine Rosafe	0.95⅝	0.94¾
Do., Barusso	0.92½	0.91¼
West Australian	0.97½	0.96¼
French	unquoted	
Russian	0.95½	0.93¼

Exchange Executive

W. J. DOWLER

Secretary-treasurer of Parrish & Heimbecker, Ltd., grain dealers, who was recently elected vice-president of the Winnipeg Grain Exchange by acclamation. Mr. Dowler has been with the company for 24 years.

LESS BETTER GRADES COMING ON MARKET

Only About Half Wheat Above No. 4 — Coarse Grain Damage

Inspections of wheat in the West reveal a falling proportion of the better grades, according to Sanford Evans. For the week ending Oct. 11 the percentage of wheat grading contract (No. 4 Northern or better) was 58 per cent and for the week ending Oct. 4, 62 per cent. The cumulative total from Aug. 1 to Oct. 11 shows 68 per cent contract, compared with 84 per cent in the same period of 1934. Relatively large numbers of cars are being placed in the No. 5, 6 and feed grades.

Coarse Grain Damaged

Coarse grain harvesting is approaching completion in the West, the report says. As is the case with wheat, heavy damage has occurred from frost in later sections. Deliveries of oats, flax and rye exceed 1934 up to this date, while barley deliveries are lighter. In the case of barley it is noteworthy that inspections of malting barley comprise a lesser proportion of total inspections than in 1934.

OGILVIE INCOME FROM SECURITIES BOLSTERS PROFIT

Milling Year Poor — Hold Investments Well Below Market

Investments carried as current assets by Ogilvie Flour Mills Co. at $5,085,951 at Aug. 31, 1935, were actually worth $7,478,092, at "fair market value," it is revealed in the annual report for the latest fiscal year.

Income from all investments, including subsidiaries, was $241,779. This allowed the company to cover its common dividend of $8 a share. Dividends from Consolidated Bakeries bulked large in investment income compared with receipts in the 1933-34 year.

Milling Unsatisfactory

Although comparative details are not available, it is virtually admitted by President W. A. Black that profits from milling operations in the year ended Aug. 31, 1935, were lower than for many years. He says:

"Milling conditions during the past year were again most unsatisfactory.

"The maintenance of Canadian wheat prices so far above the levels at which other countries were selling reduced exports of flour to the lowest point in many years, which, in turn, was reflected in increasing competition in the domestic market."

Value of the company's investments in affiliated companies was written down $1,005,450 two years ago. Mr. Black says they are now carried "at what we believe to be reasonable figures." Balance sheet values of investments, he says, represent below-market prices for listed securities and "conservative" values for unlisted holdings.

"Investment returns," he says, "showed some improvement, and we hope will continue to do so."

Emphasis on Taxation

In the report Mr. Black emphasizes taxation, so that the company's contribution to meeting the cost of government may not be overlooked, "in the face of widespread and unjustifiable attacks upon corporations in general." Says he:

"The increasing burden of taxation from different sources and in various forms is clearly illustrated by the tax provision and payments for the year under review, which amounted to $238,865, as disclosed in the profit and loss account. This figure, equivalent to a dividend of $3.18 per share on the company's outstanding common stock, does not include licenses, sales taxes, gasoline taxes, etc., which constituted a further considerable charge upon the company's earnings."

Much greater detail is given in the company's income account due to revision of the Dominion Companies Act. Comparative figures are given below.

Company Earnings

National Light

Lower operating costs enabled National Light & Power Co. to show higher profits in the nine months ended Sept. 30 last, as compared with the corresponding period of 1934. Net profit at $79,499 was $24,173 higher than in the 1934 period.

Bond interest for the period was earned 2.05 times before depreciation and 1.86 times after depreciation.

Income Account
Nine Months ended Sept. 30

	1935 $	1934 $
Gross earnings	361,069	360,203
Less: Oper. exps.	156,559	179,230
Operating earn.	204,510	180,973
Add: Misc. income ...	3,830	3,134
Net earnings	208,340	184,107
Less: Depreciation ...	18,053	18,010
Property taxes	18,036	19,771
Bond interest	92,752	90,000
Net profit	79,499	56,326
Times Bond Interest Earned:		
Before deprec.	2.05	1.83
After deprec.	1.86	1.70
Output in kw. hours ..	15,428,572	15,520,543

Canadian Bakeries

Marked improvement in the operations of Canadian Bakeries is shown by the annual report for the year ended Aug. 31, last. Deficit on operations after all charges, was $35,859 lower than in the previous year.

Sharp increases in net earnings from operations and in other income enabled the company to report a profit of $30,731 after bond interest and taxes, but before depreciation. After allowing $67,540 for depreciation the net loss for the year was $36,809 as compared with $72,668 in the previous year.

Deficit carried to balance sheet was increased by the transfer of a reserve of $50,000 for sinking fund on first preferred shares to capital surplus in addition to the loss on the year's operations. This brought the total deficit to $187,873.

During the year the company's Regina plant was closed under an agreement with another bakery company whereby Canadian Bakeries took over the other company's business in Saskatoon without taking over its land and buildings. Unused properties and buildings now stand at $177,002.

Comparative Income and Surplus Account
Years Ended Aug. 31

	1935 $	1934 $
Net earnings	66,661	30,867
Less: Depreciation ...	67,540	69,320
Bond interest	42,237	42,935
Income taxes	1,731	......
Other charges	5,241	......
Directors' fees	950	......
Add: Other income ..	14,229	......
Profit on red. of bds.	......	8,720
Net loss	36,809	72,668
Add: Prev. deficit	101,064	28,396
Res. for s. f. 1st pfd.	50,000	......
Deficit carried for'd..	187,873	101,064

Working Capital
As at Aug. 31

	1935 $	1934 $
Current assets	297,289	284,683
Current liabilities	60,983	68,230
Working capital	236,306	216,453
Ratio	4.87—1	4.17—1

T. G. Bright & Co.

Net earnings of T. G. Bright & Co., Ontario wine firm, in the 11 months ended July 31, 1935, were $22,500 higher than in the preceding 12 months period. Provision for taxes was also up and as a result net profit showed an increase of only $14,700.

While working capital at July 31 last was $135,000 lower than at August 31, 1934, the company still enjoys a strong liquid position. Current assets show an increase of $183,000 as against a jump in current liabilities of $319,000. The increase in the latter is due principally to bank borrowings which were necessary to finance the 1934 grape purchases and development of farm properties. Bank loans as at July 31 amounted to $300,000.

The reduction in working capital is more than offset by capital expenditures made during the year, fixed assets increasing $210,000. Of this amount $13,000 consists of additions to building account, $17,000 to tanks, $32,000 to machinery and equipment, and $147,000 for farm properties and equipment.

Inventories are up sharply from the previous year, being valued at $919,849. The increase of $277,092 in this item more than accounts for the total increase in current assets.

Cons. Income and Surplus Account

	11 Mos. ended July 31 1935 $	Year ended Aug. 31 1934 $
Net earnings	209,094	186,585
Less: Depreciation ...	30,599	29,087
Income taxes	37,552	31,342
Net profit	140,943	126,155
Less: Pref. divds.	35,590	53,947
Common	22,500	32,500
Surplus for year	82,853	39,708
Add: Prev. surplus ...	57,460	17,753
Balance forward	140,313	57,461

Working Capital

	1935 $	1934 $
Current assets	1,131,973	948,008
Current liabilities	446,169	127,086
Working capital	685,804	820,922
Ratio	2.53—1	7.45—1

Ogilvie Flour Mills

Ogilvie Flour Mills Co. had net profits equivalent to $8.05 per common share in the year ended Aug. 31, 1935, compared with $8.09 a share in the preceding year. Under the revision of the Dominion Companies Act, the company provides much more detailed income data than in previous years. This shows that dividends from subsidiaries and other investment income enabled the company to cover the common dividend of $8 a share. Unfortunately comparison of income and expense figures with those of previous years is impossible owing to the lack of earlier data. Income from milling operations of $914,584 in the latest year, however, is believed to be lower than for many years.

Working capital has been increased some $120,000 and bank loans have dropped to $1,668,959 in 1935 from $2,653,863 in 1934.

Income and Surplus Account
Years Ended August 31

	1935 $	1934 $
Operating profit	914,584	......
Investment income ..	188,779	......
Divs. of subsids. ...	153,000	......
Profit on assets sold.	8,517	......
Total income	1,264,880	......
Less: Deprec.	179,112	......
Taxes	238,866	......
Legal expenses	3,139	......
Executives salaries.	81,384	......
Directors salaries ..	18,882	......
Net profit	743,498	746,749
Less: Pref. divds. ...	140,000	140,000
Common divds.	600,000	600,000
Surplus for year	3,498	6,749
Add: Prev. surplus ..	2,186,305	2,179,556
Surplus forward	2,189,803	2,186,305
Working Capital		
Current assets	9,845,296	11,188,571
Current liabilities ...	2,719,958	4,182,813
Net working capital .	7,125,338	7,005,758

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Week in Mining—

Market on Firmer Ground

• • •

High Hopes for Conference

After a whole summer of wallowing around in the slough of uncertainty, the mining markets of Canada seem definitely to be getting on firmer ground.

Numerous national and international trends, the respective destinations of which are still very uncertain, continue to make the going sloppy. But familiarity breeds contempt, and some of the bogeys which have been haunting the market for many a moon are by now so familiar that many investors are, so to speak, calling them "uncle."

One of these bogeymen is called currency stabilization. While it was never seriously feared that international stabilization of currency would mean a lowering of the price of gold, the fear that it would definitely kill the chances of a higher price for gold undoubtedly has had its effect on the market. It was unlikely, it was argued, that gold would be pegged at the old figure of $20.67 per ounce, but it was just as unlikely that it would be pegged higher than $35 per ounce. Of later weeks, the currency stabilization bogey seems to have faded to a mere wraith, and it is generally admitted that an international currency agreement is as far away as ever.

The election has also cleared the air, and the mining industry, always a little suspicious of Mr. Bennett since the gold tax imbroglio, has high hopes that the vexing tax question will now be settled, at least, as the song goes, "until the next one comes along."

Parley is Needed

BASIS for this hope lies in the pronouncement of the new Prime Minister, Rt. Hon. W. L. M. King to the effect that a conference of provincial Premiers, to deal among other things with the mining industry, would be called. If this conference is sincere, it will not fail for lack of an agenda.

There are many things that such a conference could do, if the delegates will hang their coats over the back of their chairs and get down to business.

Paramount in importance, of course, would be the question of taxation, and Mr. King has definitely indicated that this would be one topic discussed. Bickering between provincial and federal politicians over the right to tax gold production makes interesting news headlines, but is not very helpful to the mining industry. Due partly to the publicity which has been given mining taxation, capital, domestic and foreign, has been kept in a state of uncertainty, and a scheme of unified, moderate taxation, to be definitely in effect for a period of years, would be the most important thing that has happened to mining in many years.

• • •

A Pretty Prospect

IN ADDITION to the intriguing picture of a unified, harmonious tax scheme effective across Canada, mining men are visualizing a similar system of unified fraud prevention laws. It is known that Ontario Securities Commission officials are eager for such co-operation, and have gone a long way toward instituting such an understanding. But more than a mere understanding is needed.

There are many other items, of tremendous import to the mining industry, which could well go on the agenda of such a conference. There is the question of defining depletion allowances, a term which has as many interpretations in Canada as there are provinces. Then there is the question of tariffs on oil and mining machinery not manufactured in Canada. Silver miners in the west are urging a greater use of domestic silver as a backing for currency. Some optimists are even visualizing, as a result of the proposed conference, a bonus on new gold, as a sop to outside capital. Under present conditions, however, this latter suggestion seems to have a remote chance of ever being crystallized in fact.

Nevertheless, the broad proposal to meet with the provincial authorities in an attempt to straighten out a few of these problems is receiving (all politics aside) the whole-hearted support of the mining industry. It is, perhaps, one of the reasons for the generally firmer tendency on the market.

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Silver Nightmare

THERE is a nightmarish tinge to the plight of the United States treasury in regard to silver purchases. No believer in the significance of dreams, the mining fraternity however, see in the U. S. silver nightmare, portents of great significance to themselves.

Committed to buy silver until the U. S. treasury contains one dollar of silver for every three of gold, that body has lately found that its gold stocks, instead of remaining fairly stationary, and thus giving them some chance of fulfilling their self-imposed task, have increased enormously. Foreign imports are responsible. Europe, touchy over the war outlook, has been shipping gold to United States in heavy amounts.

While the percentage of silver to gold is now, it has been estimated, about 17.5 per cent, as compared with about 12 per cent when the programme started, the treasury, to fulfill its 33 1/3 per cent objective, must still purchase almost as much silver as in the beginning, despite the fact that it has already bought hundreds of millions of dollars worth of the stuff. It still must buy about $1.5 billions worth of silver.

Despite the Herculean nature of this task, treasury officials announce that they are as firmly wedded to their objective as ever, and the price of silver appears to be in no immediate jeopardy.

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Dome's Outlook

FIGURES issued this week by Dome Mines, for the nine-month period ended Sept. 30, give professional prognosticators something to work with in estimating what showing this company will make during 1935. As reported elsewhere, Dome estimates that net earnings for the first nine months, before depreciation, depletion, and adjustments of surplus, amounted to about $3.50 per share.

For the sake of an estimate, it can be assumed that during the last quarter of this year, Dome's mill tonnage, grade, and operating costs will remain about the same. Average bullion production for each quarter so far this year was $1,718,213, after deducting from the aggregate the old bullion tax, and mint charges. On this quarterly basis, value of bullion production for the 12 months to end Dec. 31, 1935, should be in the neighborhood of $6,872,852.

For the first nine months, all taxes, development and operating costs, and outside exploration write-offs totalled $2,107,271, which would give a quarterly average of about $702,424, and a total for the year of $2,809,696. Deduct this amount from the bullion production and one gets an operating profit of $4,063,156. Non-operating income for the 12 months, again basing the estimate on nine-month figures, should be about $389,300, leaving a net profit for the 12 months of $4,452,500, or a per share profit of about $4.67, before depreciation, depletion, etc.

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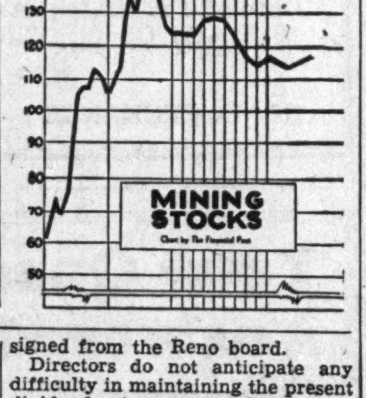
Index to Mining Stocks

HIGHER prices in both gold and base metals groups were responsible for a modest advance of the general mining stocks index as indicated by 118.1 for the week of Oct. 17, as compared with 116.3 for the week of Oct. 10. During the same interval in 1934, this index was 137.9.

Hollinger leading with an appreciable gain, most of the gold issues registered increases, placing the index at 104.7 for the week of Oct. 17. For the week of Oct. 10 the index was 102.6 and for the week of Oct. 18 last year the index recorded was 137.0.

Regardless of a decline in prices of Base Metals and Hudson Bay, four base metals index mounted from 171.8 for the week of Oct. 10 to 172.6 for the week of Oct. 17. The index for the corresponding period in 1934 was 146.8.



RENO WILL OPEN UP TWO DEEP LEVELS

Expect Conditions Below Ninth to Equal Upper Values

From Our Own Correspondent

VANCOUVER.—Developments at Reno Gold Mines in the near future are extremely promising, W. R. Lindsay, engineer in charge of operations, told shareholders at the annual meeting here. Shaft sinking to open two new levels below the ninth will start soon, and the vein below the ninth, the lowest reached, should be just as good as that opened above, Mr. Lindsay believes. Work on the ninth level, on which several hundred ft. of ore running close to an ounce of gold per ton was indicated, has been shut down temporarily. The main shaft will be sunk another 250 ft.

Sir Kenneth Crossley has resigned from the Reno board.

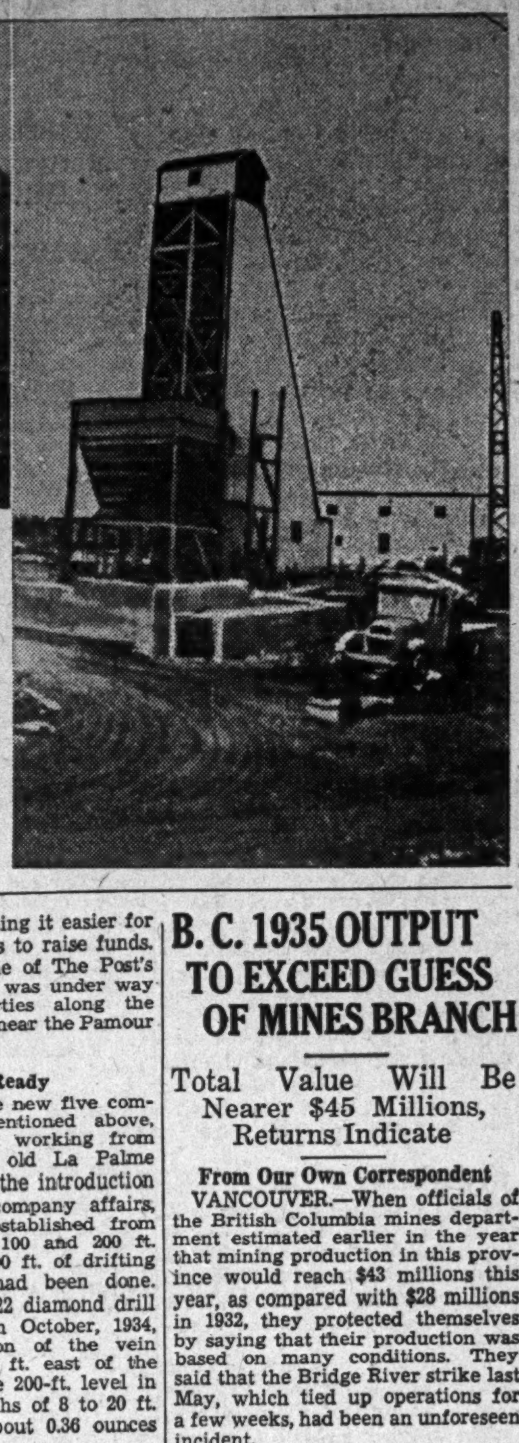
Directors do not anticipate any difficulty in maintaining the present dividend rate, reported G. F. Gyles a director. Costs of operation would always be high, and last year they were particularly high because about $60,000 of non-recurring expenses were charged to current operating costs.

If mine conditions warrant, the mill, almost completely rebuilt during the past year, will average 140 tons daily.

Smith Cobalt Mines Lengthens Crosscut

On the 452-ft. level the north crosscut has been extended to a point 425 ft. north of the winze on the Smith Cobalt Mines, Ltd., A. K. Roberts sec-treasurer informs shareholders. Conglomerate has been encountered and it will be necessary to winze an additional 60 ft. before continuing this cut to its northern objective.

Blasé Old Porcupine Gets New Thrill



After an undistinguished career of some 30 years, the group of properties now owned by Pamour Porcupine in the east end of the Porcupine Camp is to get a new lease on life under the management of Noranda Mines, and is proving the current sensation of this veteran camp. Above shows the solidity with which reconstruction is being handled, at least in the matter of bunkhouses. To the right, the new headframe and hopper, all ready for operation, are shown. Eventually Noranda's investment in this property should be well over $1.2 million. While no estimate of ore reserves has been made public as yet, the official opinion seems to be that Pamour has the makings of a large tonnage, low grade operation.

In the meantime, the work is attracting considerable attention, and neighboring properties are taking a new lease on life. At the time of a recent visit of a member of The Financial Post staff to this area, drilling was being carried out over a widespread area, on both sides of the T. & N. O. Railway between South Porcupine and Porcupine Junction. While no official decision has been made, a 500-ton daily capacity mill is being discussed for this property, work to start next spring.

Big Tonnage, Low Grade Predicted for Pamour In Amazing Transition

50-year-old Property Becomes Headliner Almost Overnight

NORANDA'S BACKING

Visit to Property Reveals Large Scale Development —Expect 500-ton Mill in Spring

By WILFRID SANDERS

TIMMINS.—Somebody once said that mines are made, as much as found.

Never was this generalization more applicable than in the case of a property northeast of here, which today is the sensation of the veteran Porcupine camp. Yet this ground, now owned by Pamour Porcupine Gold Mines is as old as this camp itself.

For nearly 30 years, most observers regarded the adjoining properties of Porcupine Grande, LaPalme Porcupine, and Three Nations as "hangers on." Despite the fact that considerable development work was done on all three, they have seemed little more than the usual weak sisters, to be found on the fringe of all great mining camps.

The property was "found" nearly 30 years ago. It is only being "made" in this year of grace.

This sudden change of status is due to a number of things, chief being the fact that Noranda Mines, huge Quebec copper-gold producer, is now behind the venture, to the tune of some $125,000 per month. If all its options are taken up Noranda will be in control.

It takes a grub-stake, a little practical experience, some faith, and a dash of luck to find a mine. But it takes a lot of money and a lot of experience to make one, as the Pamour property graphically illustrates.

Pure "Eye-Wash"

In the Porcupine camp, rumors concerning Pamour are rife. One hears that it is to be another Hollinger; that indicated ore above the 400 ft. level is 236 million tons; that before the end of 1936 it will be milling 1,000 tons per day.

Most of these reports, which have, apparently, found their way to bigger centres than Timmins, are, to use a slightly non-technical term, eye-wash.

It is extremely unlikely that Pamour will ever become another Hollinger. Grade of ore would preclude that. No official estimate of tonnage has been made as yet, and the 236 million figure is absolutely un-confirmable. Noranda, which is doing all the work, and ought to know, has not even decided on the size of the initial mill unit as yet. J. Y. Murdoch himself, president of Noranda, and of Pamour Porcupine, is the authority for this statement.

But Pamour does not need these wild rumors to fully warrant the interest being taken in it. The Post learns from the highest authority that while Noranda has not definitely decided on mill capacity, it is altogether likely that in the spring of 1936, work will start on a mill of a 500 ton daily capacity, which is sensational tonnage for such a hitherto undistinguished property.

Any visitor to this district becomes convinced of one thing; Noranda means business. The whole scale of operations is in "the grand manner," and the Quebec copper producer apparently means to be interested in the property for a long time to come.

The bunkhouses, as shown in the accompanying pictures, are not the bunkhouses of a prospect. Copper lined, and formidably solid, they are built to stay, and to house 100 men. The new shaft, down 200 ft. at time of writing, is no less than five compartments, which, in itself, indicates a sizeable operation.

Held Up by Water

For nearly three weeks, development work underground has been held up by an extra flow of water. The equipment of former operators was not able to cope with this flow, and development work on this level is practically marking time until the modern electrical pumps, already on the property, can be put into operation. While a delay of three weeks at this time of year can assume important significance, officials of Noranda are not taking a serious view of this delay, although it has undoubtedly held back official announcement of ore reserves and mill plans.

Above ground, however, there has been no delay. It is a matter of days before the new headframe and hoist are in operation. Over 4,000 ft. of drilling has been done. Incidentally, much of the drilling results have been confirmed by underground work to date.

Developments at Pamour are not only significant to the property itself. There are many idle claims surrounding the development, which needs only a successful culmination at Pamour, to start work again. A geologist, familiar with the layout of the Porcupine rocks, admitted to The Post that there had been, in the past, much misunderstanding as to the deposition of the ore in this sector of the camp. Noranda's work at Pamour would do much, he thought, to clear the picture, and might well give other old claims new information on which to base further faith. There is little doubt that Noranda's work will, and already is, making it easier for adjoining companies to raise funds. Drilling, at the time of The Post's visit to the district was under way on several properties along the T. & N. O. railway, near the Pamour operation.

Power Ready

In addition to the new five compartment shaft mentioned above, Noranda has been working from the shaft on the old La Palme property. Prior to the introduction of Noranda into company affairs, levels had been established from this shaft on the 100 and 200 ft. horizons. Over 3,500 ft. of drifting and crosscutting had been done. From the surface, 22 diamond drill holes, completed in October, 1934, showed continuation of the vein structure for 1,000 ft. east of the shaft. Work on the 200-ft. level in 1935 indicated widths of 8 to 20 ft. and a grade of about 0.36 ounces per ton.

Power is now all ready to turn on, and probably will be turned on by the time this is in print. It is understood that the power is being supplied at the standard rate of $32.50 per h.p. up to $5,000 h.p. The terms of the agreement with the Ontario Hydro-Electric Commission call for an initial 250 h.p.

What will shareholders in the original three companies, and in Pamour get out of all this?

Shareholders in the veteran Three Nations Gold Mines, and in the Porcupine Grande Co. will, sad to relate, get nothing whatsoever, unless it be the satisfaction in knowing that their early faith in this section looks as if it might be justified. Their equity in the two companies, however, was lost years ago, and private interests, which took over the defunct companies, were the vendors of the property.

La Palme's Shares

La Palme shareholders are the only ones of the old guard to profit by the remarkable change in the status of the group. When the three properties were merged in 1934 to form Pamour Porcupine Mines a total of 1.5 million shares in Pamour Porcupine were set aside in payment for the properties. Of these, La Palme received 470,000 shares.

La Palme then optioned 220,000 of these Pamour shares to Quebec Gold Mining Corp. for a total of $55,000, or an average per share price of 25 cents. It is hardly surprising that this option has all been taken up, in view of the fact that Pamour stock is now selling on the street at between $2.90 and $3 per share. La Palme then issued another block of this Pamour stock to Arcturus Gold Mining Syndicate, in full settlement of an account.

This left La Palme with 227,500 shares in Pamour. Since there are about 1.9 million shares of La Palme outstanding this stock will be distributed to La Palme shareholders on the basis of one Pamour share for each eight La Palme shares.

In addition, La Palme shareholders have an equity in the $55,000 paid by Quebec Gold Mining Corp. Accordingly, in addition to the Pamour stock, La Palme shareholders will receive about 3.6 cents cash for every share held. At a recent meeting of La Palme shareholders, it was decided to make this distribution immediately.

Noranda's Investment

As to Pamour itself, the entire authorized capitalization of $5 millions, in $1 par value stock, is outstanding or under option. Quebec Gold Mining Corp. has an option on 2 million shares, which options, The Post understands, are being fully taken up.

When Noranda agreed to undertake development of this property, the authorized capitalization of Pamour was increased from $3.5 millions.

If Noranda takes up the options it has on Pamour stock, it will have an investment, including the money spent on the large scale development, of about $1.2 millions in the Pamour venture.

There is a distinct moral in the story of Pamour. For 30 years, as three separate properties, this group of claims struggled along, spending money, and getting nowhere very fast. As a consolidated unit, backed by experience, and plenty of money, the property is apparently getting somewhere with equal celerity.

In the words of a high official of Noranda, with whom The Post was discussing this property, "Pamour has all the earmarks at the present time of a fairly low grade producer, of great tonnage."

Bralorne's New Vein Assays 1.6 Ounces

From Our Own Correspondent

VANCOUVER.—Maj. Austin C. Taylor, president of Bralorne Gold Mines, reports that average value of the high-grade 80-ft. section recently encountered at Bralorne in drifting eastward on the Empire vein is 1.67 ounces across an average width of 3½ ft.

This high-grade section is part of an ore body which has been followed on the sixth level for more than 1,000 ft., averaging for that distance about half an ounce in gold for a width of more than four ft.

Depending on the dip of the vein, a month or six weeks should see the Coronation crosscut picking up, the downward continuation of the Empire ore body, giving 450 ft. additional depth vertically or 500 ft. on the dip of the vein. The long crosscut from the King workings is proceeding ahead of schedule toward the Empire vein.

B. C. 1935 OUTPUT TO EXCEED GUESS OF MINES BRANCH

Total Value Will Be Nearer $45 Millions, Returns Indicate

From Our Own Correspondent

VANCOUVER.—When officials of the British Columbia mines department estimated earlier in the year that mining production in this province would reach $43 millions this year, as compared with $28 millions in 1932, they protected themselves by saying that their production was based on many conditions. They said that the Bridge River strike last May, which tied up operations for a few weeks, had been an unforeseen incident.

However, there was no need for such caution. The $43 millions estimate has already shown itself to be ultra-conservative. It looks as though the total will exceed $45 millions by the end of the year, or a gain of 62 per cent over 1928.

The big advance is accounted for chiefly by the rising production of gold, which has been averaging about $1 million a month. Gold is now a standout among the metals of B.C. and copper which once headed the list, is now in fifth position. Copper production in this province was valued at $18 millions in 1929. Last year the figure shrunk to $3.5 millions. There has been a good recovery in lead, valued at $8.5 millions last year and zinc has been even steadier. Coal still appears to be on the down-grade.

Robb Montbray—Is arranging to start more exploration work. Earlier work on the claims revealed several veins and the main showing has been opened up for between 300 and 400 ft., showing good mineralization and some free gold.

Prospector Loves the Life, But "Oh, those Horrid Mice"

From Our Own Correspondent

WINNIPEG. — Manitoba has a woman prospector in the person of Miss Violet May Kennedy. Miss Kennedy two or three years ago grub-staked a partner who staked a group of six claims, known as the Pearl group in the English Brook district. Not satisfied with the manner in which work was being carried out, Miss Kennedy took to the field herself last year and again this year. She bossed the job, donned overalls, kept the camp clean, cooked some good meals for her crew and took her share of the hand drilling, too.

She has a good big cabin on the property with accommodation for a crew of more than 20 and additional quarters for herself. "Did it pay?" she said. "Of course it did. I had an engineer look the ground over and he told me where to look, with the result we have what appears to be an excellent vein traced over four claims.

"In the last two years we have put down eleven pits and done a lot of stripping. Channel samples on stripping over average widths of five to seven ft. run from $12 to $15, while channel samples from our deepest pit ran 1.8 ounces and 2.36 ounces to the ton."

Miss Kennedy says she doesn't mind the work and she likes the life, but she doesn't care so much about the little field mice she finds running all over her at nights. However, she's enthusiastic and believes she has the makings of a real property.

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Cariboo Gold Makes Record In September

As a result of the gradual increase in the mill capacity at Cariboo Gold Quartz Mining Co. property, pioneer lode project of the Cariboo, B.C., reports to The Post that September production, valued at $58,415 hits a new high for this company.

During the month, the average per day tonnage amounted to 150.9. Average recovery per ton, at $35 gold, would be $10.29.

J. R. V. Dunlop, secretary, states that the mill operated 99.58 per cent of the possible running time.

The almost steady increase which this operation has shown this year, can be seen from the following tables of monthly production:

Month:	Tons milled	Gold fine oz.	Silver fine oz.	Total recov. $
Jan.*	3,014	1,486	135	52,298
Feb.	2,877	992	119	35,114
March	3,219	1,019	111	35,834
April	3,144	1,227	147	43,016
May	3,239	1,241	141	45,570
June	2,982	1,129	115	39,625
July†	3,191	1,576	165	54,501
Aug.	3,299	1,101	109	38,710
Sept.	4,528	1,669	...	58,415
	29,493	11,440	1,042	403,063

*Includes recovery from ball mill clean-up of 432 fine oz. gold and 21 oz. of silver valued at $15,291.

†Includes recovery from ball mill clean-up of 340 oz. gold and 17 oz. silver valued at $11,930. Slag recovery of 54 oz. gold and 15 oz. silver is included but exchange compensation has not yet been received for this amount.

BERESFORD LAKE OBTAINS FUNDS; WORK IS RESUMED

Underwriters Committed to Cash to Extent of $405,000

From Our Own Correspondent

WINNIPEG.—After a long period of inactivity Beresford Lake Mines is preparing again for active work. Beresford Lake recently took over the Oro Grande, on the basis of one Beresford Lake share for two Oro Grande.

Officials state the company is being financed to the extent of $405,000. All creditors of the original company, whose accounts were less than $100 have been paid in full and other creditors have received around ten per cent of their claims. From now on the agreement calls for fixed monthly sums being placed at the disposal of the company, a portion of this to be set aside for retiring debts and the balance for development purposes. One such payment was received this week and the total paid by the underwriters to date is over $30,000.

Beresford Lake Mines has retained the option held by Oro Grande on the Solo claims and a payment was made to Central Manitoba Mines on this option Oct. 1 to keep it in good standing.

Current Chatter from B. C.

From Our Own Correspondent

VANCOUVER.—Fred M. Wells, former managing director of Cariboo Gold Quartz and the man who more than any other proved the importance of lode gold possibilities in the Barkerville district, has been exploring prospects in the Terrace district during the last summer. He now declares that he will soon be able to prove sufficient ore tonnage to warrant a 100-ton mill. Mr. Wells has been working the Dardanelles property, of 35 claims located by Steve McNeil. Mr. Wells says the ore is clean white quartz with a distinct band structure showing fine iron sulphides. Gold values he described as "fair."

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Sheep Creek Sept. Output

Sheep Creek Gold Mines production was valued at $36,000 in September, according to President Rolph Bruhn. Stability of value in the ore should be better maintained from now on as development proceeds, Mr. Bruhn believes. Mill heads are already improving, although the heavy feed of development ore kept production down. Ore treated during the month averaged 125 tons daily, and costs averaged $4.46 a ton.

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Dentonia Production

September production at Dentonia mine is reported by Major Angus Davis, engineer in charge, at 948 ounces gold and 6,441 ounces silver, giving net smelter returns after deducting freight and smelter charges of $33,500. Operating costs were $5.20 a ton, not including depreciation, depletion and taxes. The net is given as $19,626.

The Dentonia mill at Greenwood handled 2,668 tons of ore during the month, and mill heads averaged 0.41 ounces of gold and 2.7 ounces silver, with recovery of slightly more than 86 per cent. Development will continue all winter.

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Kootenay Cuts Vein

The A vein has been struck by Kootenay Belle in its lower tunnel, which is 350 ft. below the present workings, according to advice sent by W. G. Norrie-Lowenthal, consulting engineer, to Jonathan Rogers, director. The strike was made about 1,050 ft. from the portal, which is about the spot where contact was expected. Drifting has been done for ten ft. on the vein, a depth of four ft., with the vein gradually widening, having been exposed. Values have not been ascertained.

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P. E. Gold to Start Crosscut

Rails, cars and other equipment necessary for the long crosscut tunnel which will soon be started, have been shipped into the Pacific Eastern Gold, Ltd., property in the Bridge River country. When diamond drilling proved existence of a favorable greenstone formation in a wide belt, the company decided to start a tunnel from the bottom of the shaft. Major J. R. Lowery, managing director, is in charge of operations.

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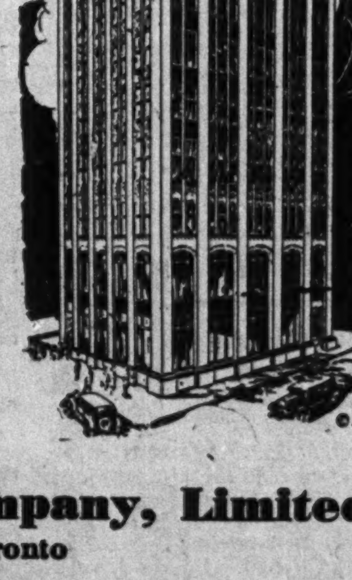

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Mining Reports

Wright-Hargreaves

In spite of sharply increased taxation, Wright-Hargreaves Mines Ltd., Kirkland Lake gold producer, shows, in its annual report for the year ended Aug. 31, 1935, that earnings have been maintained, and a considerable amount added to surplus.

The company shows a net profit for the year of $3,846,046, compared with a net profit for the fiscal year 1934 of $3,836,132. Both these earnings work out to practically 70 cents per share on the outstanding stock.

Taxes, exclusive of the now defunct bullion tax, jumped from $275,000 in the fiscal year 1934 to $470,000 in 1935.

In addition, the company materially strengthened its working capital position, current assets exceeding current liabilities by $3,561,946 the balance sheet as at Aug. 31, 1935, shows. This compares with a working capital position of $2,741,593 at the end of the 1934 fiscal year.

Current assets include cash on hand and in the bank of $4,023,369; and government and municipal securities, shown at cost, of $369,078. Current liabilities include the dividend payable Oct. 1, of $825,000.

Ore reserves also were increased, and stood, as at Aug. 31, 1935, at 1,244,657 tons, with an average grade of $12.38 per ton. This compares with reserves of 1,185,204 tons as at Aug. 31, 1934, with an average grade of $13.20 per ton.

Income and surplus account for the fiscal year ended Aug. 31, 1935, compared with the previous fiscal year is as follows:

	Aug. 31 1934 $	Aug. 31 1935 $
Bullion prod.‡	6,797,579	6,844,539
Less oper. exp.:		
Devel. & explor.	357,224	448,238
Stoping	748,532	713,854
Trans. & hoist. ore	257,119	260,998
Milling	459,090	462,897
Marketing bull.	32,060	23,148
Gen. surface chgs.	37,453	35,476
Stock & transfer	13,686	13,632
Taxes	275,000	470,000
Gen. & admin. exp.	208,819	141,858
Group Ins., etc.	......	69,585
Mint chgs.	......	21,376
Net oper. earnings	4,390,596	4,143,477
Add non-oper. income:		
Interest	66,768	76,965
Rent, etc.	2,986	523
Discounts earned	2,956	2,668
Total net earnings	4,463,306	4,223,633
Less: Deprec.	274,763	292,287
Depletion	182,111	......
Devel. written off	170,300	85,300
Net profit	3,636,132	3,846,046
Less dividends	3,040,602	*3,308,160
Surplus for year	795,530	537,886
Add: Previous surplus	2,624,845	3,420,375
Bal. carried forward	3,420,375	3,958,261

‡After deducting special bullion tax of $306,633 in 1934, and 529,619 in 1935.

*Including dividend payable Oct. 1, 1935.

Earnings per Share and Dividend Record:

Earned	$0.70	$0.70
Paid	0.35+20	0.40+0.20
No. of Shares Outstanding	......	5,500,000

were equivalent to $21.51 per share, the company reports in its regular quarterly statement, as at Sept. 31, 1935. This compares with a net asset position equivalent to $22.51 per share outstanding as at June 30, 1935.

After giving effect to write-offs of furniture and fixtures, field equipment etc. and provisions of additional reserve of $272,970 for mining venture losses set up on the books since Sept. 30, net assets amounted to $8,604,733. At this date, 400,040 shares were outstanding. Assets listed on stock exchanges are valued at market quotations and those not listed are quoted at cost.

In making the report, H. W. Chadbourne, president, states that as at Sept. 30, 1935, the public held purchase warrants entitling the holders to buy 528,460 shares of common stock at $10 per share on or before Sept. 1, 1939. If all these warrants had been taken up, on Sept. 30, 1935, the Corporation would have received $5,284,600 additional capital.

The net assets at the end of the third quarter were classified as follows:

Analysis of Net Assets
As at Sept. 30, 1935

	$	%
Cash and accts rec. (less payables and res. for bad debts, taxes & conting.) and invests in secs. at mkt. value	7,405,642	85.07
Invests. in unlist. min. stks., & in min. ventures (at cost) & in subsid. cos., less res. of $370,000 for possible losses, remaining after charging loss of $102,970 against prev. res. of $200,000 & setting up addit. res. of $272,970	1,199,091	13.93
	8,604,733	100.00

Howe Sound

Despite a drop in quantitative sales, and accordingly, in gross value of metals sold, Howe Sound Co., extensive holding concern, reports material improvement in earnings for the third quarter of 1935. The fact that net profit at $684,138 is the highest for any quarter for some years back, is due chiefly to higher prices for base metals, and to a reduction of over $300,000 in operating costs.

Earnings for the third quarter are equivalent to $1.38 per share, on the basis of 496,038 shares outstanding.

Comparative earnings for the second and third quarters of 1935 are as follows:

Quarterly Statement
Quarter ended

	2nd qu. 1935 $	3rd qu. 1935 $
Val. of metal sold	3,070,782	2,913,715
Oper. costs	2,649,071	2,345,912
Oper. profit	421,711	567,803
Add: Misc. income	165,210	182,755
Total income	586,921	750,558
Less: Depr.	65,088	66,421
	521,823	684,137

Comparison of metals sold during the two quarters is as follows:

Metals Sold
Quarter ended

	2nd qu.	3rd qu.
Gold, ozs.	2,437	2,247
Silver, ozs.	1,053,818	1,023,500
Copper, lb.	3,739,342	3,076,164
Lead, lb.	29,987,540	29,012,217
Zinc, lb.	38,493,996	28,050,594

McIntyre Porcupine

An increase of 12 cents per share in the net earnings is shown by McIntyre Porcupine for the second quarter of its fiscal year, compared with the quarter ended June 30.

The increase in earnings is due almost entirely to higher gross income, costs even showing a slight increase.

Record of this company since the previous fiscal year ended on March 31 last, in tabular form, is as follows:

Income Account
Quarter ended

	June 30 1935 $	Sept 30 1935 $
Gross income	2,034,896	2,158,014
Less: costs, incl devel.	939,822	966,154
Taxes	189,135	188,973
Depreciation	33,725	84,424
Net income	822,114	918,463
Earned per share	1.03	1.15

Income Account
6 mos. ended

	Sept. 30 1935 $	Sept. 30 1934 $
Gross income	4,192,910	4,143,509
Less: Costs incl. devel.	1,906,077	1,753,193
Taxes	378,107	323,406
Depreciation	168,150	156,776
Net income	1,740,576	1,910,134
Earned per share	2.18	2.39

Note:—Gross income represents actual receipts from the mint after deduction made on behalf of Dominion Government amounting to $105,588.

Dome Mines

Decreased net earnings, due partly to higher taxation and increased operating costs per ton, are shown in the nine months' statement recently issued by Dome Mines, for the period ending Sept 30, 1935. Earnings per share, before deducting depreciation, depletion, and contingent reserve accounts, was, for the nine-month period, about $3.50, as compared with per share earnings for the nine months ended Sept. 30, 1934, of about $3.65.

Grade of ore treated was also down slightly, at .37 ounces gold to the ton, as compared with an average grade of about .38 ounces gold to the ton in 1934. During the ninth-month period, tonnage milled totalled 411,400, which compares with a tonnage of 409,500 treated during the first nine months of 1934.

The estimated statement of earnings for the first nine months of 1935, as compared with the earnings for the three months ended Sept. 30, is as follows:

Dome Earnings

	3 mos. ended Sept. 30 1935 $	9 mos. ended Sept. 30 1935 $
Earnings:		
Bullion prod.*	1,812,848	5,154,641
Less: Devel. oper. & misc. exps.	592,544	1,668,728
Taxes	185,478	†425,231
Outside explor. w/o	10,140	13,312
Oper. profit	1,024,686	3,047,370
Add: Non-op. inc.	101,743	291,977
Profit before depr. & depletion	1,026,429	3,339,347

*After deducting gold bullion tax and mint charges of $21,172 for the quarter and $325,818 for the nine months.

†After deducting reserve set up in 1934 of $105,000.

Production

Tons milled	137,700	411,400
Fine ounces gold	52,037	155,895
Rec. per ton	$12.53	$13.17

Nine Month Earnings

	9 mos. ended Sept. 30 1935 $	9 mos. ended Sept. 30 1934 $
Bullion prod.	5,154,641*	5,498,773
Less: devel. oper. & misc. exps.	1,668,728	1,597,111
Taxes	425,231†	717,952
Out. expl. w/o	13,312	11,544
Oper. profit	3,057,370	3,172,165
Non. op. inc.	291,977	304,539
Profit before depr. & deplet.	3,339,347	3,476,704

*After deducting gold bullion tax and mint charges of $325,818.

†After deducting reserve set up in 1934 of $105,000.

International Mining

Net assets of International Mining Corp., world-wide prospecting, exploration and holding company,

Gurney Gold Mines to Acquire Wylie Dominion

WINNIPEG Man.—C. S. Parsons, mining engineer, and who was largely responsible for the new financing of Wylie Dominion, is visiting the property. All details in connection with the new deal have been completed, as reported recently in The Post. The new company formed ta take over Wylie Dominion will be called Gurney Gold Mines .

Silver Trading

Trading in Montreal
October 14-19

	High	Low	Close	Contracts
October	66.30	66.30	66.20	2
November	66.30	66.06	66.07	29
December	66.40	66.17	66.20	39
January	66.50	66.50	66.45	2
March	67.00	66.65	66.65	18

WR.-HARGREAVES EARNINGS SAME DESPITE TAXES

Ore Reserves Increased and Working Capital Strengthened

Maintained earnings, higher ore reserves, increased surplus accounts, and a stronger working capital position, are all revealed in the annual report from Wright-Hargreaves Mines, for the fiscal year ended Aug. 31, 1935, just released.

This enviable record has been achieved despite the fact that reserve for taxes, exclusive of the now defunct bullion tax, increased during the period from $275,000 in 1934, to $470,000 in 1935.

Ore reserves have increased to 1,244,657 tons, although the average grade, .599 ounces shows a slight decline over the grade of .639 ounces shown in the report for the previous year.

In his appended report, Maurice W. Summerhayes, general manager, states that the policy of mining out a number of the upper levels, has been rigorously adhered to, which accounts for the decline in grade of ore reserves.

The sinking of the interior shaft to open up the mine below the 3,900 ft. level is now being carried out. The shaft, at the date the report was prepared, was down 4,300 ft.

Mr. Summerhayes points out that per cent extraction is now considerably better than the pilot mill work indicated, and while the extraction for the whole period was 96.78 per cent, the extraction for the last quarter of the fiscal year was 97.04 per cent.

Over-all costs per ton of ore treated were reduced from $9.17 in the previous fiscal year, to $8.79 in the 1935 fiscal year. Mr. Summerhayes reports. It is interesting to note that provision for taxes rose from 83 cents in 1934, to $1.34 in 1935.

Mining Stock Quotations

Week Ending October 21.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Oct. 14 (or last)	High for week	Low for week	Close Oct. 21
1	.77½	.38	Afton	20,725	.61	.64	.59	.61
No	.11	.04	Aldermac	1,500	.04½	.05	.04½	.04½
1	.02¾	.00¾	Alexandria	16,000	.00¾	.00½	.00½	.00½
No	.57	.40	Algold	100	.40	.45	.45	.45
No	.08½	.02½	Algoma	......	.02½	.....	.....	.....
No	4.50	3.55	Anglo-Huronian	1,888	3.65	3.65	3.55	3.00
No	.04	.01½	Arno	500	.02½	.02	.02	.02
1	1.19	1.02	Arntfield	9,050	1.04	1.10	1.02	1.08
1	.32	.06½	Ashley	12,380	.13	.15	.12	.15
1	.08½	.02¾	Astoria Rouyn	500	.02½	.02¾	.02¾	.02¾
1	.14	.03	Bagamac	6,000	.03¾	.04	.03¾	.03¾
1	.08	.02½	Barry Hollinger	16,000	.05	.06	.05	.05
1	.94	.23	Base Metals	41,700	.35½	.37	.29¾	.29¾
1	1.06	.14	B.E.A.R.	24,800	.72	.74	.70	.72
No	2.16	1.25	Beattie Gold	2,433	1.25	1.39	1.30	1.39
1	.75	.30	Big Missouri	31,072	.51	.60½	.51	.57½
1	.38	.18	Bobjo	19,900	.20	.21	.19½	.19½
No	12.50	4.25	Bralorne	6,106	5.55	6.00	5.65	6.00
1	.61	.20	Brazil Gold	2,500	.40	.41	.37	.40
1	.03	.01½	Brett Trethewey	3,000	.01½	.01½	.01½	.01½
50c.	.24	.07	Bridge River Ex.	100	.08	.09	.09	.09
1	.03	.01	Brownlee	......	.01½	.....	.....	.....
1	3.50	2.35	Buffalo Ankerite	3,900	2.40	2.75	2.43	2.70
No	.03½	.00¾	Buffalo Can.	1,000	.01	.00¾	.00¾	.00¾
5	38.15	31.00	Bulolo Gold	100	31.00	33.00	33.00	33.00
No	.08½	.03	Bunker Hill	6,700	.05	.07½	.06	.07½
1	.03½	.01	Can. Kirkland	12,000	.01½	.01½	.01½	.01½
No	.75	.54	Can. Malartic	6,705	.60	.65	.59	.62
1	1.50	.95	Cariboo Gold	700	1.12	1.10	1.08	1.08
1	.05½	.02	Cartier Malartic	......	.02	.....	.....	.....
1	1.34	.55	Castle Trethewey	10,000	.85	.91	.81	.90
1	.07½	.02½	Cen. Manitoba	30,100	.04	.04	.03	.03½
1	1.98	1.12	Cen. Patricia	67,665	1.80	1.98	1.81	1.94
No	.27	.08	Chibougamau Pros.	89,240	.13½	.17½	.13	.16½
No	.06½	.03	Church M. & Mill	......	.05½	.....	.....	.....
No	.08	.02	Clericy	45,000	.02½	.04	.03	.03½
5	3.25	1.50	Coast Copper	400	2.15	2.25	2.15	2.15
1	.08	.01½	Cobalt Contact	13,000	.01½	.02	.01½	.01½
5	3.60	2.00	Coniagas	375	2.30	2.35	2.30	2.30
No	2.60	1.35	Coniaurum	6,793	1.55	1.65	1.55	1.65
25	191.00	125.50	Cons. Smelters	5,056	178.00	191.00	178.25	190.00
No	44.00	34.50	Dome Mines	990	39.00	40.25	38.75	39.12
1	.10	.03½	Dom. Explorers	1,000	.04	.04	.04	.04
1	.17½	.06½	Duparquet	18,700	.08	.08	.07½	.07½
1	2.93	1.02	Eldorado	38,720	1.57	1.66	1.51	1.53
No	4.52	3.25	Falconbridge	11,560	4.45	4.50	4.30	4.35
1	.04½	.02	Federal	7,000	.03	.03½	.02	.02
No	.16½	.05	Francoeur Gold	......	.06	.....	.....	.....
1	.40	.03	Franklin Gold	162,300	.06½	.08	.03½	.04
1	.45	.09	Gabrielle	1,000	.20	.16	.15	.16
No	.03½	.01	Gilbec	......	.01½	.....	.....	.....
No	2.24	1.24	God's Lake	59,237	1.51	1.61	1.50	1.54
1	.20	.11	Goldale	5,100	.11½	.12	.11½	.11½
50c.	.46	.21	Gold Belt	......	.21	.....	.....	.....
1	.15	.04	Goodfish	1,500	.08	.08	.07	.07
1	.07	.02	Graham Bosquet	250	.02½	.02¾	.02¾	.02¾
1	.40	.17	Granada Gold	13,933	.18	.30	.20	.25
No	.12	.05½	Grandora	6,000	.06½	.07½	.06½	.07½
1	.45	.14	Greene Stabell	4,398	.15	.17½	.14	.17½
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.04	Grull Wihksne	200	.04½	.04	.04	.04
1	.97	.48	Gunnar Gold	11,200	.68	.66	.61	.66
1	.08½	.02	Halcrow Swayze	1,000	.02¾	.03	.02½	.02½
1	.49	.35	Hard Rock	9,700	.43	.44	.35	.44
1	.10	.04	Harker	7,000	.04½	.05	.04¾	.04¾
5	20.25	11.65	Hollinger	14,142	13.65	14.10	13.00	13.70
1	1.10	.59½	Howey Gold	27,950	.60	.63	.60	.63
No	20.00	11.50	Hudson Bay	3,051	18.85	19.12	17.62	18.00
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.90	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	32.00	22.25	Int. Nickel	7,704	31.75	32.00	30.87	31.50
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.09½	J. M. Cons. Gold	34,600	.10	.12	.10	.11½
1	.75	.45	Kerr Lake	......	.52	.....	.....	.....
1	.31	.20	Kirk. Hud. Bay	......	.26	.....	.....	.....
1	.65	.33½	Kirkland Lake	6,900	.38	.39	.38	.39
1	.33½	.12½	Kirk. Townsite	......	.15	.....	.....	.....
No	.07	.02	Lake Maron	7,000	.02	.02½	.02	.02
1	58.00	46.25	Lake Shore	2,144	47.00	48.37	46.62	47.50
1	.08	.01½	Lamaque Contact	2,000	.02	.02	.01½	.01½
1	.16¾	.12	Lebel Oro new	65,892	.14½	.16¾	.14½	.16½
1	.08	.02¾	Lee Gold	6,600	.02¾	.03	.02¾	.03
No	7.25	4.15	Little Long Lac	8,235	5.25	5.50	5.25	5.40
1	3.05	1.31	Macassa	175,187	2.53	3.05	2.50	2.93
1	.03	.00½	Malrobic	......	.01	.....	.....	.....
No	.12	.05½	Mandy	2,000	.12	.10	.09½	.09½
No	.12½	.03	Man. & Eastern	5,200	.04½	.05	.04½	.04½
1	.14	.02½	Maple Leaf	20,400	.02½	.04½	.02½	.03¾
5	46.00	34.87	McIntyre	2,387	37.00	37.00	36.25	36.50
1	1.45	.96	McKenzie R.L.	35,860	1.03	1.13	1.05	1.13
1	.70	.35	McKinley	27	.35	.35	.35	.35
1	.46½	.07½	McMillan	9,000	.10	.11½	.09½	.11½
No	2.15	.45	McWatters	73,575	1.54	1.72	1.53	1.72
1	.40	.10	McVittie	8,200	.13	.13½	.13	.13
No	1.50	.85	Mining Corp.	6,815	1.30	1.30	1.17	1.17
No	.21	.07½	Minto Gold	......	.08	.....	.....	.....
1	.16	.07	Moneta	4,200	.07	.08	.07½	.07½
1	.79	.35	Morris Kirk	30,312	.47	.55	.47	.55
1	.01½	.00½	Murphy	......	.00¾	.....	.....	.....
No	.04	.01	Newbec	1,500	.02½	.02	.01¾	.01¾
1	.04½	.00¾	Night-Hawk Penn.	11,500	.01	.01½	.01	.01
5	2.95	2.00	Nipissing	400	2.00	2.16	2.10	2.16
No	43.00	31.00	Noranda	17,089	40.75	41.75	40.12	40.50
No	.31	.16	Nor. Canada	......	.17	.....	.....	.....
1	.75	.30	O'Brien	50	.50	.50	.50	.50
1	.10	.03	Osisko	......	.03¾	.....	.....	.....
1	.32	.18	Parkhill	27,300	.20½	.22	.20	.20
1	.04½	.01	Pawnee Kirk	2,032	.02½	.02	.01½	.01½
1	.30½	.16	Paymaster	52,275	.22½	.28	.23	.27
1	.84	.40	Pend Oreille	4,600	.75	.72	.66	.70
1	.83	.55	Perron Gold	14,130	.68	.71	.60	.71
1	.09½	.01½	Peterson Cobalt	6,400	.02½	.02½	.02	.02
1	3.07	2.10	Pickle Crow	48,170	3.00	3.05	2.88	2.93
1	12.25	9.00	Pioneer Gold B.C.	3,605	9.35	9.85	9.25	9.75
1	.06	.03	Porcupine Crown	17,000	.03½	.04	.03¾	.04
1	.01¾	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.36	Premier Gold	8,400	1.58	1.65	1.57	1.59
1	.03	.01	Preston E. Dome	3,500	.02	.02½	.02½	.02½
No	3.05	1.25	Prospectors Air's	2,700	2.50	3.00	2.60	2.70
1	.80	.09½	Quebec Gold	23,450	.45	.65	.50	.63
No	.15	.02½	Quemont	......	.05	.....	.....	.....
1	.98	.55	Read Authier	3,680	.77	.80	.75	.80
No	.42½	.25	Red Lake	185,900	.35½	.42½	.36	.41½
1	1.67	.73	Reno Gold	4,600	.85	.87	.82	.85
1	.02¾	.00¾	Ritchie	4,500	.01½	.01	.00¾	.01
1	.10¾	.02	Robb Montbray	41,600	.05¾	.06½	.05	.05½
1	.10½	.02¾	Roche Long Lac	1,500	.04	.04½	.04	.04
1	5.20	2.00	San Antonio	7,685	2.55	2.58	2.37	2.50
50c.	1.25	.54	Sheep Creek	......	.65	.....	.....	.....
1	1.00	.45	Sherritt Gordon	18,438	.85	.84	.72	.76
1	3.29	2.40	Siscoe	15,490	2.53	2.62	2.54	2.57
1	5.10	3.30	South Amer. Gold	350	4.72	4.62	4.25	4.40
No	.15	.02	South Tiblemont	53,900	.02½	.03	.02	.03
No	.32	.13½	Stadacona	91,520	.19	.22	.18½	.21½
1	.39	.14½	St. Anthony	11,100	.18	.18	.17	.18
No	1.75	1.25	Sudbury Basin	5,970	1.62	1.75	1.65	1.74
1	.11	.03	Sudbury Contact	3,000	.04	.04	.04	.04
1	.07¾	.03	Sudbury Mines	211,150	.05	.06½	.05	.06½
1	.89	.35	Sullivan Cons.	45,987	.61	.70	.60	.70
1	2.70	2.00	Sylvanite	26,204	2.12	2.19	2.12	2.16
1	.67	.25	Tashota	63,150	.39	.40	.35	.40
1	4.70	3.67	Teck Hughes	15,045	3.91	4.05	3.95	4.00
1	.02½	.00¾	Timiskaming	......	.01½	.....	.....	.....
1	1.45	1.00	Toburn Gold	575	1.05	1.10	1.05	1.10
1	.30½	.10	Towagmac	1,200	.15	.15	.15	.15
1	.30	.10	Treadwell	......	.10	.....	.....	.....
No	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.32	.02	Vanson Man.	......	.02	.....	.....	.....
No	1.08	.80	Ventures	18,270	1.02	1.06	1.00	1.03
No	.86	.45	Waite Amulet	1,342	.66	.75	.65	.70
50c.	.24½	.07	Wayside	60,750	.15	.17	.14½	.16½
No	.10½	.01½	White Eagle	5,100	.02½	.02½	.02	.02
1	.07	.03	Wiltsey Coughlan	......	.03¾	.....	.....	.....
1	.07½	.03½	Wood Kirkland	8,000	.05	.04½	.04½	.04½
No	9.90	6.90	Wright-Hargreaves	12,689	7.40	7.45	7.20	7.30
No	.85	.26	Ymir Yankee	24,300	.32	.42	.32	.39
			OIL STOCKS					
No	.26	.17	Acme Gas & Oil	6,500	.18	.17¾	.17	.17½
1	1.09	.40	Ajax	200	.41	.42	.41	.41
No	.85	.49	Calgary & Ed.	1,450	.52	.51	.50	.51
1	.08	.04	Calmont	1,200	.04½	.04½	.04½	.04½
No	.05½	.03	Common Pete	......	.03	.....	.....	.....
No	.38	.15	Dalhousie	6,835	.15	.32	.24	.31
No	.12	.05	East Crest	500	.05½	.06	.06	.06
No	.21	.04	Erie Gas	......	.13½	.....	.....	.....
No	.35	.08	Foothills	......	.15	.....	.....	.....
No	.15	.10½	High Sarcee	1,015	.13	.15	.15	.15
No	.80	.42	Home	5,880	.45	.55	.45	.50
1	.14	.05	Homestead O. & G.	......	.05	.....	.....	.....
No	.13½	.06	Lowery	2,000	.09	.07½	.07½	.07½
No	.27	.14	Merland	500	.14	.14	.14	.14
5	.17	.03½	Nordon	8,500	.13½	.15	.13	.13
No	.07	.03¾	Oil Selections	2,600	.04	.04½	.04	.04½
No	.06½	.02¾	Olga Gas & Oil	23,000	.02¾	.04	.02¾	.04
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	1,434	19.50	23.00	19.50	23.00
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	3,350	.81	.89	.85	.88

VANCOUVER STOCK EXCHANGE
(Transaction for Week to October 19.)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Oct. 11 (or last)	High for week	Low for week	Close Oct. 19
1	.02½	.00½	Alexandria	......	.00½	.....	.....	.....
25c.	.01¾	.00¾	Bayview	......	.00¾	.....	.....	.....
20c.	.10½	.03½	Beaver Silver	4,000	.05½	.04½	.03½	.04½
25c.	.02½	.01	Bluebird	5,000	.01	.01	.01	.01
No	12.25	4.35	Bralorne	3,007	5.70	5.85	5.65	5.85
1	.08½	.03	Bridge River Cons.	2,200	.04	.03¾	.03½	.03½
50c.	.24	.07½	Bridge River Exp.	5,250	.09	.11	.10	.10
1	.55	.14	B.C. Nickel	39,800	.24	.28	.23½	.25
1	1.68	.90	B.C. Silver	1,000	1.25	1.30	1.30	1.30
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c.	.10	.03	Canadian Rand	1,500	.03	.03	.03	.03
1	1.50	.95	Cariboo Gold	5,175	1.10	1.14	1.08	1.08
1	.54	.17	Congress Gold	6,900	.17½	.22	.18	.20
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
1	.01½	.00½	Dalhousie Mines	6,500	.00½	.01	.01	.01
No	.95	.15½	Dentonia	24,600	.16¾	.20	.16¾	.19½
No	.06¾	.01	Dictator	25,500	.01½	.01¾	.01	.01¾
1	.17	.03	Dunwell	3,000	.03	.03½	.03½	.03½
No	.16½	.04	Fairview Amal.	7,500	.08	.08	.07	.07
50c.	.46	.25	Fawn Mining	......	.25	.....	.....	.....
1	.13	.05	Federal Gold	1,500	.07	.07	.06½	.06½
1	.20	.12	George Copper	200	.20	.20	.20	.20
50c.	.08	.03	George Enterprise	3,500	.07	.07	.06¾	.07
1	.01	.00½	Georgia River	......	.00¾	.....	.....	.....
50c.	.06¾	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.14½	Golconda	1,900	.16	.15	.14½	.15
50c.	.45½	.20	Gold Belt	2,700	.23	.22	.20	.21
50c.	.19	.03	Gold Mountain	1,950	.03	.05	.03	.05
50c.	.04¾	.01½	Grandview	100	.02	.02	.02	.02
No	.24	.01½	Grange Mines	13,000	.01½	.01¾	.01½	.01¾
1	.10	.04½	Grull Wihksne	1,000	.05	.06	.06	.06
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25c.	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c.	.26	.18	Hedley Amal.	3,350	.19	.20	.19	.20
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.02	Home Gold	11,200	.03	.03	.02	.03
1	.01¾	.00½	Independence	......	.00½	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	1,000	.19	.19	.19	.19
50c.	1.07	.68	Island Mountain	14,292	.94	1.03	.90	1.00
50c.	.72	.30	Kootenay Belle	14,600	.31	.43	.35	.40
25c.	.01½	.00½	Kootenay Florence	1,000	.00½	.00¾	.00¾	.00¾
1	.01¾	.00½	Lakeview	......	.00¾	.....	.....	.....
10c	.04½	.01	Lucky Jim	......	.01½	.....	.....	.....
No	.41	.07	Mak Siccar	6,400	.10	.10	.09	.09½
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
50c	.20	.15	Meridian New	1,600	.19	.20	.19	.20
No	.24½	.05	Minto Gold	5,200	.05¾	.06	.05½	.05½
50c	.12½	.03	Morning Star	18,500	.04	.04½	.04	.04½
1	.02	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.06½	.02¾	National Silver	2,000	.02½	.02¾	.02¾	.02¾
50c	.17	.05	Nicola	3,500	.09	.09½	.08	.09
50c	.16	.05	NobleFive	15,750	.05½	.05½	.05	.05
No	.09¾	.01½	Pilot Gold	25,500	.01½	.02	.01½	.02
1	12.40	9.10	Pioneer Gold	1,500	9.25	10.00	9.40	9.85
50c	.15	.05	Porter Idaho	......	.06½	.....	.....	.....
No	.01	.00¾	Premier Border	......	.00¾	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.05	Quesnelle Quartz	600	.06	.05¾	.05¾	.05¾
No	.18	.01	Reeves McDonald	......	.10	.....	.....	.....
1	.39	.25	Relief Arlington	8,400	.33	.39	.33	.39
1	1.62	.72	Reno Gold	10,350	.82	.88	.80	.85
1	.04¾	.02	Reward Mining	1,000	.02	.02½	.02½	.02½
1	.01½	.00½	Rufus Argenta	......	.00½	.....	.....	.....
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	600	.19	.19	.19	.19
50c	.18	.06½	Salmon Gold	3,600	.07	.07	.07	.07
50c	1.18	.55	Sheep Creek	31,600	.67	.68	.58	.67
1	.05	.02	Silverado	......	.03	.....	.....	.....
25c	.02½	.00½	Silvercrest	1,000	.00¾	.00½	.00½	.00½
20c	.12	.01	Silversmith	4,000	.01½	.01¾	.01¾	.01¾
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
No	.76	.48	Standard Silver	1,000	.49	.50	.50	.50
10	23.75	11.45	Sunshine	......	20.00	.....	.....	.....
No	.32	.14	Taylor Bridge	3,000	.17	.18½	.17	.18½
1	.20½	.08½	Taylor Windfall	......	.08½	.....	.....	.....
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.03	.....	.....	.....
No	.61	.13	Vidette Gold	2,100	.28	.29	.26	.28
No	.06	.00½	Viking Gold	2,000	.00¾	.00¾	.00¾	.00¾
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c	.01¾	.00¾	Waverley Tangier	5,500	.00¾	.00½	.00½	.00½
50c	.23½	.07½	Wayside	4,000	.15	.16½	.15	.16½
20c	.04	.01	Wellington	6,000	.02	.01¾	.01¾	.01¾
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	9,000	.04	.05½	.05	.05
No	.83	.26	Ymir Yankee Girl	......	.28	.....	.....	.....
			OIL STOCKS					
1	.10½	.05	Alta. Pac. Cons.	1,000	.05	.06	.06	.06
1	.22	.04	Amalgamated	5,000	.04	.05	.04	.04
1	.04	.01	Anaconda	......	.00½	.....	.....	.....
No	.05	.00¾	Baltac	......	.00¾	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.04½	Crow's Nest	3,400	.04½	.04¾	.04	.04
No	.03½	.01	Devenish	......	.01¾	.....	.....	.....
No	.11	.04	Freehold	......	.05	.....	.....	.....
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	5,100	.13	.13½	.12½	.13½
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	1,000	.10	.10	.10	.10
No	.05	.02	McD. Segur Ex.	......	.02¾	.....	.....	.....
1	.42	.30	McLeod	2,200	.30	.42	.40	.42
No	.14½	.09	Mercury	4,300	.10½	.11½	.11¾	.11½
No	.14	.07	Mill City Pete.	......	.08	.....	.....	.....
1	.30	.18	Model	1,000	.25	.30	.29	.30
No	.06½	.03½	Okalta	......	.04	.....	.....	.....
No	.10½	.02	Pacalta Oil	2,000	.03	.03	.03	.03
1	1.17	.24½	Ranchmen's	250	.26	.26	.26	.26
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.18	.....	.....	.....
No	.10	.03	United	1,000	.03	.04	.04	.04
No	.14	.04	Vanalta	1,000	.24	.04	.04	.04
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.47
			McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	7.40	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coniagas‡	12½c.	.....	Nor. Canada†	2c.	.....
Cons. Smelters	$1.25	.....	Petrol Oil‡	3c.	.....
Dome Mines	$2+$2	10.26*	Premier	12c+1c.	8.17*
Falconbridge	7½c.	.....	Pioneer, B.C.	80c.	8.20
Hollinger	65c.+20c.	6.30*	Reno	12+2c.	16.47*
Howe Sound	$3+30c.	.....	Royalite	75c.	.....
Howey Gold	3c.	.....	San Antonio	14c.	.....
Hudson Bay†	50c.	.....	Siscoe	20c.+3c.	8.94*
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	30c.	.....
Inter. Mining	15c.	.....	Sunshine	30c.	.....
Int. Nickel c.	80c.	.....	Sylvanite	20c.	9.30
Kirk. Lake‡	3c.	.....	Teck Hughes	40c.	10.00
Lake Shore	$2+1.50	7.36*	Toburn	8c.	7.27
Macassa	13c.	.....	Wright-Har.	40+20c.	8.21*

‡Interim. †Initial. *Yield includes bonus.

Small Mills Swell Output Of Ontario Gold Producers

September Value Down Compared With August, But $1.6 Millions Gain is Shown in 1935 Over First Nine Months of 1934

While September production from Ontario gold producers shows, on the whole a slight decline compared with previous months, the general rising tendency of the output continues unchecked, with the result that production value for the first nine months of 1935 shows an increase of more than $1.6 millions over the same period last year.

The decline in value of output, noticeable during 1934 and in the early part of 1935, and due to the policy of treating lower grade ore, appears to have been checked. Those in a position to know believe that this increase does not mean an abandonment of the low grade policy on the part of bigger producers, but rather, that it is the result of smaller producers coming to the fore.

A proof of this contention is the fact that the Matachewan area, long has shown a steady increase in production, and in September, this old camp turned in a record performance of its career, producing gold to the value of $147,577 for the month.

The other three areas, Porcupine, Kirkland Lake, and Northwest Ontario, all showed slight declines over July and August in September.

In the Porcupine Camp, Hollinger led the ten producing mines in value of production with McIntyre, Dome, Buffalo Ankerite, Coniaurum, Paymaster, Vipond, Marbuan, Gillies Lake and Nabob following in order of output.

In the Kirkland Lake Camp, Lake Shore, as usual, was the leading producer, with Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Toburn, Kirkland Lake Gold, Barry Hollinger, and Bidgood following in order.

Comparative figures for the first nine months of 1935 and 1934 are given below:

	1934 Tons milled	1934 Value $	1935 Tons milled	1935 Value $
Porcupine:				
First quarter	876,905	7,932,734	922,555	7,530,535
Second quarter	897,563	8,194,800	939,400	8,312,013
July	314,145	2,720,509	325,891	2,854,024
August	329,218	2,871,027	334,481	2,945,739
September	321,019	2,721,819	319,978	2,680,134
Totals	2,738,850	24,440,889	2,842,305	24,322,445
Kirkland Lake:				
First quarter	479,679	8,344,239	478,229	7,843,745
Second quarter	494,673	8,857,071	494,556	8,271,006
July	166,573	2,814,688	172,025	2,847,528
August	169,328	2,873,575	174,634	2,886,670
September	166,485	2,534,995	165,969	2,163,976
Totals	1,476,738	25,424,568	1,485,413	24,012,924
Matachewan:				
First quarter	10,610	109,629	66,593	295,824
Second quarter	10,833	112,872	76,854	351,576
July	3,785	39,094	27,232	115,524
August	3,772	44,440	29,960	138,335
September	3,631	40,827	30,509	147,577
Totals	32,631	346,862	231,238	1,048,836
Northwestern Ontario:				
First quarter	133,192	651,399	182,054	1,046,649
Second quarter	142,360	664,585	216,718	1,606,841
July	50,038	251,139	57,611	585,961
August	58,624	269,908	84,196	656,498
September	55,342	249,003	79,915	652,949
Totals	439,556	2,086,034	620,494	4,548,918
Total for Ontario:				
First quarter	1,500,386	17,038,001	1,649,431	16,716,753
Second quarter	1,545,429	17,829,328	1,727,528	18,541,435
July	534,541	5,825,430	582,759	6,403,057
August	560,942	6,058,950	623,271	6,627,242
September	546,477	5,546,644	596,461	5,644,636
Grand totals	4,687,775	52,298,353	5,179,450	53,933,123

Note:—Value in Canadian funds.

ABSORPTION UNITS SUSTAIN OUTPUT IN TURNER VALLEY

Eight Months' Figures Show Only Slight Decrease Under 1934

From Our Own Correspondent

CALGARY.—Alberta oil production for the first eight months of 1935 was 950,805 bbls., according to figures just released by the petroleum division of the provincial department of lands and mines. This figure is only slightly below that for the corresponding period of 1934 when 955,506 barrels were produced.

The production report for 1935 indicates, however, that there would have been a much greater falling off in the Turner Valley yield, which comprised the bulk of the production, but for the operation of the Imperial and independent absorption plants in the valley. By this means almost the last drop of naphtha was squeezed from the gas produced by valley wells.

With four months' production still to be added to the 1935 total, there is a certainty that the million-barrel total will again be exceeded this year by a wide margin. A favorable circumstance is the fact that two Turner Valley wells, British Dominion and Renfrew Royalty are near to production while one or two other wells may be ranked among the producers before the end of the year.

Alberta produced 102,741 bbls. of the 117,652 bbls. of oil produced in all Canada during August. The August Alberta yield comprised 97,706 bbls. of crude naphtha and 1,530 bbls. of light crude from Turner Valley; 1,794 bbls. of light crude from Red Coulee; and 1,711 bbls. of heavy crude oil from Wainwright.

Hinds Acquitted on One Count

Alfred Hinds, former president of the Merland Oil Co. of Canada and Calgary oil operators, who was arrested recently on three charges of perjury has been found not guilty on one charge by the Calgary magistrate. Mr. Hinds had been charged by A. C. Johnson, manager of Johnson Investments Ltd., with committing perjury by stating on oath that he was unaware of the financial situation of the Publix oil company. Magistrate H. G. Scott found that the prosecution had failed to produce sufficient evidence to warrant his committing Mr. Hinds for trial. Preliminary hearing on the other two perjury charges laid by Mr. Johnson will be heard later.

Royalite No. 27, the only active drilling well of the Royalite oil company, has been spudded in at the north end of the Turner Valley field in the vicinity of the Royalite No. 26 producer. At last report it was down about 200 ft. The other two wells under way in the north end of Turner Valley are Model No. 3 and Phillips Royalties.

Highwood-Sarcee Dividend

Although officials of the Highwood-Sarcee Company declined to comment on the situation rumors are current in Calgary that the company may be forced to delay payment of its recently declared three cent a share of dividend owing to the fact that the new Alberta government has not lifted the ban on the payment of Alberta savings certificates.

Just before Premier Aberhart assumed office the retiring government suspended payment on the certificates. No date has been set for payment of the Highwood-Sarcee dividend.

Highwood-Sarcee No. 3, in which British American has an interest, is scheduled to be spudded shortly in the farthest south location of any well in Turner Valley. A strike at this well would prove up a very large acreage.

The Ranchman's well on the Aldersyde structure, south of Calgary and east of Turner Valley is still making slow progress in hard formation at a depth of about 6,530 ft.

Mar-Jon No. 3, in which the British American company is also interested, has penetrated the Blairmore formation to a depth of 400 ft. on the Watson structure. It is down more than 3,400 ft. On the same structure, the Raven well has suspended operations while the head driller recovers from the effect of an accident.

West of Calgary, Moose Dome No 2, in the vicinity of the old Moose Dome well which caused a sensation during the oil boom of some years ago by striking a considerable quantity of gas, drilling is proceeding below 300 ft.

Straight hole from 5,190 ft. is being made at the Hunter Valley well west of Olds. This wild cat is at an interesting stage and the anticipated strike may be made at any time.

Grab Samples from N. W Ont.

From Our Own Correspondent

SIOUX LOOKOUT, Ont.—In the Sturgeon Lake field, Richelieu Gold Mines has curtailed its exploration programme due to lack of finances. The prospect is the second most advanced in the area, and is developing well on the second level, following encouragement on the first level.

To the north of Richelieu, Supreme Gold Mines is carrying on, and announces diamond drilling for the near future to follow up resultful surface work which has been prosecuted for several months. Supreme reports sufficient finances.

* * *

New Vein at Northern Empire

Sinking to the 600-ft. level of Northern Empire Mines the former Beardmore has opened up the vein at this lowest level, on which work will be concentrated now. The 75-ton initial mill installed two years ago has been gradually stepped up until it is at present operating on a 150-ton basis, with ore grading around .4 ozs. gold to the ton. The mill is located directly beside the Port Arthur—Long Lac line of the C.N.R. east of the Lakehead, and the operation has become the center of a vigorous ore search by several other syndicates and companies.

* * *

Interlac Drilling

Diamond drilling and surface work is proceedng at Interlac Gold Mines, in the Long Lac area, and the company has also acquired claims in the Birch Lake section, north of Sioux Lookout, where the former McIntyre property is being developed underground in preparation for more advanced milling. The latter property has had a small mill working on high grade for some time, and the results of this were sufficiently good that a comprehensive mine campaign is being started, as distinct from the limited high-grade recovery originally embarked upon.

* * *

Tashota Field Active

The Tashota field is attracting scattered effort from various syndicates, in addition to the production activities of Tashota Goldfields. The McDougall-Sturgeon Gold Mining Syndicate has been working on surface on 9 claims about six miles from the C.N.R., and with some further work will be ready for diamond drilling.

* * *

Sturgeon River Field

Extensive drilling is planned by Mid-Sturg Gold Syndicate, located in the "main street" sector of the Sturgeon River field, and close to Sturgeon River Gold Mines. The latter is at present the only active one of the trio which attracted major interest in that section of the last-season boom field. MacJoe Sturgeon Gold is awaiting a geological check-up before deciding whether to stay idle for the winter. Casey-Contact Gold Mines is short of funds, and a small crew is all that is occupied at this time, pending reorganization to provide further funds.

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NEW DEEPER WELL AT KAKWA FIELD BY AMALGAMATED

Blackfoot Development Co. Formed in South Saskatchewan

From Our Own Correspondent

WINNIPEG.—The fact that a considerable flow of gas was obtained in the No. 7 well drilled at Kakwa by Amalgamated Oils at an unexpected horizon has led the company to decide on a deep test well about half a mile to the north and slightly west of No. 7.

Half of the wells so far drilled in the Kakwa field have produced gas in greater or lesser quantities. The No. 7 well was spudded in with the intention of making it a deep test, but when gas came in, in greater quantities than any of the previous wells at 206 ft., it was recognized that it came from a sand which had not been encountered in the wells to the east. The company's geologists believe this indicates a sand on which they have apparently drilled the edge. The well has therefore been cased and capped, and its production will be used for fuel in further tests.

In an endeavor to further delimit various gas or oil occurrences the new well, which will be a deep test, has been started.

Form New Company

A new company, in which Amalgamated Oils is interested, has been formed, called the Blackfoot Development Co., incorporated with a Saskatchewan charter and holding leases on about 20,000 acres of land which is considered by the company's geologist to be the choice of the southern Saskatchewan field.

There is now a well down 1,750 ft. This is about 40 miles south of Regina. It is dry and in good shape and is going to be left cased. A new well is to be drilled at a location chosen by Dr. D. F. MacDonald two miles southeast. The new well is to be put down 3,500 ft., which Dr. MacDonald believes should penetrate the lower possible horizons. The well now standing is not of sufficient size to carry down to the required depth, but if anything should be proved up in the new well, the original hole will be carried deeper with rotary equipment.

Corless Patricia Buys Own Drill, Assay Plant

A. A. Robins, president of Richmond Development Co. Ltd., which has a firm commitment on treasury stock of Corless Patricia Gold Mines informs The Post that the company has purchased its own diamond drill and assay plant which has been shipped to the property and will be operating within two or three weeks. Corless Patricia plans an intensive drilling programme during the winter and will employ from 18 to 22 men.

Reviewing surface work accomplished during the summer, Mr. Robins reports that veins on surface have been considerably extended. Channels assay values of $9.80 over 36 inches and $6.20 over 24 inches are reported.

Milmac Mines Exposes New Mineralized Shear

From Our Own Correspondent

SAULT STE. MARIE. — Milmac Mines is making steady progress in the Michipicoten field of Algoma District, and during recent months systematic surface exploration has been under way for the purpose of thoroughly geologizing the considerable holdings and correlating known surface ore occurrences. W. A. Hesse, M.E., consulting mining engineer, has supervised this work. Some additional buildings have been erected.

In the course of recent work a new shear in which quartz enclosures carrying tourmaline and other deep-seated minerals, including some visible gold, has been disclosed. This shear presumably intersects the No. 3 vein of former ore promise, and work is concentrated on opening it up for examination and sampling. Milmac Mines owns 318 acres of patented lands, and has 10 claims (400 acres) ready for patent. Fifteen additional claims purchased to the north and west have been surveyed and assessment work completed to keep the claims in standing for another year.

Patricia's Springer Group Taking Shape Underground

Underground development on the Springer Group of claims owned by and near the Central Patricia Gold Mines operation in the Patricia area of Ontario, is rapidly taking shape. Central Patricia officials recently reported that drifting west on the 150-ft. level had been advanced 40 ft. in ore, averaging 14 inches in width with an average grade about 3.8 oz. per ton. The west face is still in ore.

Drifting east from the station crosscut on this level has progressed 30 ft., with the vein showing a width of 14 ins. but with no commercial values. About 50 ft. ahead of the west face a drill hole showed approximately 4 oz. of gold per ton over a width of nearly 26 inches. A surface pit, 50 ft. farther on gave values of 1.19 oz. per ton across a width of 5.75 ft. for a length of 75 ft.

Bruno Maskwa Financed To Take Shaft to 125 ft.

From Our Own Correspondent

WINNIPEG.—Bruno-Maskwa has just completed financing arrangements which will provide sufficient funds to complete prospecting plans already laid out. The present plan is to carry the present shaft down to 125 ft., it being bottomed at present at 52 ft. Drifting will then be carried both ways on the vein.

Metal Prices

New York—Oct. 22—
Copper: Electrolytic spot and future, $9.25.
Silver: 65⅝c.

London—Oct. 22—
(Long Ton)—
Copper: Electrolytic spot, £38 10s; future, £39 10s. Standard spot, £34 7s. 6d; future, £34 15s.
Tin: Spot, £221 5s; future, £214 15s.
Lead: Spot, £17 10s; future, £17 10s.
Zinc: Spot, £16; future, £16 5s.
Gold: 141s. 7d.
Silver: 29-5/16d.

Canada—Oct. 22—
Gold: $35.29.

Public Affairs ·

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New Books

Haig, the General

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HAIG. By Duff-Cooper. Published by the Macmillan Co. of Canada, Toronto. Price $7.50.

Two controversies that have continued unabated since the war will be advanced with the publication of this volume. One is the controversy as to which was the greater general, Lord French or Earl Haig. The other is the controversy between Lloyd George and Haig. Supporters of the Scottish commander-in-chief of the British forces in France from 1915 to 1918 have been handicapped in replying to the attacks that have been made upon their hero. They have had to judge his actions largely by external appearance without understanding of his own inner thoughts. They have known that he did certain things without always knowing why. Now, Alfred Duff-Cooper has the Haig war diary at his command as he tells the official story of "the epic drama of four years and 100 days" in France.

Professional Soldier

This Haig biography is more than a life of one man, more than a story of one campaign. It is the story of the professional British soldier of any age; the man trained for his job of war, given a great responsibility in a crisis and conducting himself with singleness of purpose. In the case of Haig, that purpose was simply to defeat the Germans. It was never a job of saving democracy or saving civilization. He was given command of the troops to win a war. He went about it with cool professional detachment and practical skill. This aroused the admiration of the professional soldiers arrayed against him. It antagonized the politicians. They could not understand a soldier fighting a war merely because his orders were to fight and win it. The sob sister of a tabloid newspaper could not understand a great surgeon undertaking an operation upon a patient without coming out of the operating room every few minutes to console with the weeping relatives or to issue bulletins to the press on the wonder and magnitude of what he was doing.

Oxford Graduate

When Haig joined the British army it was not at once apparent that he was to be the man of destiny. Born to great privilege and advantage, he first went to Oxford. This meant that when he arrived at Sandhurst he was older than his fellow students. He soon showed great promise but had definitely lost in seniority. This handicap he overcame when he got his chance. In the Soudan, in command of a squadron of cavalry, he attracted attention. It was there that he first learned the value of machine guns and where he demonstrated that mere loyalty to his branch of the service was not to prevent him from studying the larger possibilities of other instruments of war.

He went on to South Africa and when he returned from the Boer war at 41 he was already assured of rising to one of the highest posts in the British army. After a few years as Inspector-General of Cavalry in India, he was brought back to Aldershot where he seconded Sir John French. As an intimate of Haldane, he foresaw the trouble with Germany, and began to plot the defensive and offensive strategy that would be necessary. He wrote a book on "Cavalry Studies," which is well known to every cavalry officer. He urged his officers to study military history and attempted to combine in them an ability to learn from experience and a power to make decisions where there was no experience to guide them.

Foresaw Long War

When the war broke out he saw at once that it would be a prolonged affair. Although there is no evidence that he foresaw the deadlock of the trenches. He went to France and was at once irritated by what he considered the indecision of Sir John French. From the start he differed with his commander-in chief and it is not too much to assume that Haig died feeling that if he had been commander-in-chief in September 1914, he could have pursued the retreating Germans and have shortened the war by years. The First Army, which was under his command, was rated by the Kaiser as the best army corps in the world.

Eventually when French was retired and Haig became commander-in-chief, he had an opportunity to put into execution the ideas of offensive operations that he had himself formulated. He took his orders to be merely to utilize the army under his command as an instrument for winning the war. He refused to take orders from Joffre when he disagreed with Joffre and it was apparently with greatest difficulty that he was induced to spend time with politicians who toured France.

Results of Somme

Duff-Cooper's book takes the story through the Battle of the Somme. It defends Haig's conduct of that great, famous engagement, also justifying the Battle of the Somme as a decisive allied victory in that it broke the German morale and made them see what they were up against. Says Duff-Cooper:

"These then were the results of the first great battle fought under the supreme Command of Haig. Verdun was saved, the maintenance of Anglo-French co-operation was assured, the British were taught to fight and the heart of the German army was broken."

A second volume of the Duff-Cooper life will appear in the spring and will carry the life of Haig past the Somme offensive.

Complete Diary

Haig early began to keep a diary. It was as though he himself felt that his every thought and his every action would some day be of value to the armies of posterity. Even during the long weary days of the war he never neglected the task of setting down on two or three pages of typewritten foolscap an account of the day's events, with his own candid interpretation of them and his appraisal of the men engaged. These pages were sent to Lady Haig, who had them copied and filed secretly. He took great chances. Many of these documents, had they fallen into enemy hands, would have been of the most tremendous value to the Germans. Apparently commanders-in-chief are exempt from the regulations regarding diaries, letters, etc. that they impose upon all other officers and soldiers under their command.

His Way With Men

There are many interesting sidelights on the Haig character. As inspector-general in India, he won the goodwill of the men with whom he came in contact by attempting to be considerate in his duties and to minimize irritation. He wrote:

"It is better to carry people with one than to stifle keenness by mere criticism without explaining what improvements and in what direction changes are required."

Of Lloyd George, Haig wrote in his diary "Lloyd George seems to be astute and cunning with much energy and push; but I should think shifty and unreliable." Lloyd George's first impression of Haig on the other hand was favorable, although later he became his critic. There is an amusing story of how Sir Frederick E. Smith, later the Earl of Birkenhead, was arrested when he barged into the British lines without a pass. Haig apparently had high regard for Lord Northcliffe although, in general, he disliked having newspaper men around his headquarters and refused to see them.

Duff-Cooper has performed well the dual task of writing a history of Haig and a splendid account of military operations which because of their magnitude and results, had a large effect upon history.

ECONOMICS OF PLANNING—By H. R. Borrows and J. K. Horsefield. Published by the American Academy of Political and Social Science, Philadelphia. Price 50c.

This is the first of a series of pamphlets to be published by the Academy. It reproduces the articles on planning that were recently published in the Manchester Guardian Commercial.

The authors do not present very hopefully the case for planning. Certainly there is less of the wishful fancy in their argument than in most of the books that have been written on planning. They see their difficulties as well as the possibilities and are less concerned with making out a case for planning than with discussing the obstacles which would have to be overcome in attempting to redesign our economic and political machines.

SANCTIONS. By the information department of the Royal Institute of International Affairs, London. Published by Oxford University Press, Toronto. Price 60 cents.

In the manner of the Institute's studies, this bulletin is independent and thorough. It provides the general reader with facts regarding the whole question of sanctions and their application.

For the first time sanctions are being applied on an international scale, and it is well to know what sanctions are, and what their implications may be.

"SOCIAL PLANNING FOR CANADA." Edited by the Research Committee of the League for Social Reconstruction. Published by Thos. Nelson & Sons, Toronto. Price $3.75.

Canada's intellectual Socialists have a plan ready to impose upon Canada if and when they attain political power. This plan provides for the rapid socialization of this country and for the attainment of a state wherein neither Communism nor Capitalism would have a place. But Social Justice and Individual Initiative would walk hand in hand along the rose-strewed pathways of an economic paradise.

Just what the C.C.F. and other Socialist groups in Canada desire is set forth in the uttermost detail in this study by the Research Committee by the League for Social Reconstruction. It is not exactly a design for Utopia for the researchers have sought to be realistic. They are as bitter in their criticism of such necromancers as Father Coughlin, Major Douglas and Premier Aberhart as they are of those mythical ogres, "St. James Street" and "Canadian Industry."

More of the Present

One can hardly avoid comparing this programme for a completely socialized economy with what we have already in Canada. The conclusion is inescapable that we have advanced farther along the road to Socialism than most people realize. For there is little suggested by the group of university medal-toters who wrote this book that we have not already tried out in some small measure at least. In fact the authors might properly have criticized our present economy as having been largely socialized without planning whereas what they want is a fully planned socialization.

The authors have failed to set down in a brief space a summary of their proposals. Therefore they must run the risk of having reviewers misinterpret as they brief. But if the business man wants to know what will happen in Canada if the C.C.F., or its successors as the political crusaders for Socialism, were to come into power in Canada he can find the major outline in the following summary of the "Social Planning's" ponderous chapters:

(1) All economic activities would be planned on a national scale by various planning agencies set up on a Democratic basis under the state.

Socialize Industry

(2) The Government would then undertake as great a degree of socialization of industry as possible. Every key industry would be taken over; every monopoly would be taken over; every industry that had demonstrated itself as inefficient would come under state control as well as industries controlling important natural resources. Commissions would be set up to manage those enterprises taken over.

There would be no question of the state ownership of the entire banking system and state control of investments through a national board. Railways and other transportation agencies would be acquired and coordinated. Power and fuel would be socialized.

(3) The technique of transference to the state would be, first, expert appraisal; then the issuance of state bonds by way of compensation; and finally progressive taxation until the bonds had been retired and the compensation given to the owners had been taxed away from them.

The small remnant of business left under private enterprise would be rigidly controlled and all profits would be nationalized through taxation.

Plenty of Taxes

(4) As the state would not be fully socialized there would still be need for taxes. Inheritances would be taxed to get rid of the national debt. As no interest would be paid on deposits in the socialized banks, the state would have another large source of revenue and in addition income taxes would be made practically confiscatory. This would enable extensive social insurance benefits to be paid, health and welfare services to be maintained and good housing to be provided.

(5) Of course, there would be rigid control of wages and other conditions of labor.

(6) Distribution would be regulated to eliminate present waste.

(7) Finally Canada would divorce itself from the British Empire and adopt as its foreign policy, neutrality and peace.

INDUSTRY AND HUMANITY: (new and shorter edition) by Rt.-Hon. W. L. Mackenzie King, Macmillans in Canada, price $2.00.

There are few better avenues to the principles of life and thought which guide Canada's new prime minister than this study originally published in 1918 and now issued by Macmillans in an abridged form.

About half the size of the original, the present book while an abridgement is in no other sense a revision. It runs some 265 pages, and according to the new preface by the author "it has been found unnecessary to alter a single statement of the original text."

While Mr. King is doubtless right in his viewpoint that the "soundness of the principles themselves and the wisdom of their application in the manner set forth in the text has in the intervening 17 years received confirmation which, except through experience and trial could have come in no other way," one cannot help feeling in reading the book how useful and valuable it would be to have from the same pen a companion volume showing what this great student of industrial and human problems has learned in the intervening span of almost two decades.

Perhaps that will come later.

Although primarily applied to industrial problems the book reveals the author's mind on both political and economic problems.

Such phrases as "frank acceptance of the principle of round table conference through representation, as the best of methods of arriving at common policy" reveal the King viewpoint that "Government in industry, like Government in the state, must be broad based and genuinely representative."

"The trend toward dictatorship," as Mr. King has so often reiterated in the last few weeks, "whether in the state or in industry is, to my way of thinking, a tendency wholly in the wrong direction."

R. H. Coats—*Fact Finder*

Dominion Statistician's Tables Rank at Top—Sees Uniform Presentation of Empire Statistics

By GRANT DEXTER

R. H. Coats, Specialist in Tables, Charts and Figures.

R. H. Coats has been described as Canada's Recording Angel.

He is the man, it is said, who records with unswerving fidelity our assets, our liabilities, our crimes, our good deeds, the height of our skill and intelligence and the depth of our stupidity and ignorance.

Making World Smaller

The title is true enough, yet he is something more than a statistician. He is in the front rank of contemporary men who, more than scientists, are making our world smaller.

R. H. Coats, Dominion Statistician, is a distinguished fellow of the leading statistical societies of the world, member of the League of Nations committee of experts and, more recently, the secretary and general factotum of the Economic Council of Canada. He is a man of sixty years of age, with a splendid record of achievement behind him, and, in his own view, the best work of his life still in the future.

Romance in Figures

While the public has been following with interest the whirligigs of politics, of new deals and old ones, listening to the hundreds of candidates and their leaders, Mr. Coats has been striding along the path of statistical progress with seven league boots. In case statistics seem pretty dry-as-dust stuff to the average man, Mr. Coats is eager to say that Canada's books of record are the very bone and meat of romance. Their story both in its own right and as part of the world library of statistics need not, in his view, yield ground to the best sellers of the day. Publishers of the best sellers, however, may argue that this is not an altogether unbiased view.

He was a Toronto newspaperman long ago, and somehow has never recovered from it. The nose for news has continued to function down the years, sending the Dominion Statistician blood-hounding through records for new facts in Canada, in the Empire and in the world. This trait, which dominates his character, is linked, happily, to a genius for organization. The two, combined, have given Canada the most efficient and detailed statistical service in the British Empire and one of the front rank institutions of its kind in the world.

Seeking Uniformity

Within the past few months, Mr. Coats, as head of the Bureau of Statistics, has been instrumental in calling two conferences. He met officials of the provincial governments early in the year and the conference then held succeeded in banishing much of the confusion and contradictory matter from provincial statistics. The Dominion blue book on provincial finance issued by Mr. Coats a few weeks ago was the first fruit of this conference.

The second conference brought the statisticians of all Empire countries to Ottawa where they discussed for three weeks the problems of unified statistics—that is each part of the Empire presenting trade and other statistical matter in the same way.

Uniformity was sought, particularly in such matters as reports on commodities in production, trade and price statistics, classifications of industries. Another problem discussed in detail was co-operation to discover the origins and destinations of the more important articles of Empire trade. Another was industrial output.

Then there are those invisible items in trade balances—capital movements, tourist trade, interest payments, freight payments and other carrying charges, insurance premiums, remittances, advertising, charitable and missionary contributions and so forth. Finally there were the subjects of gold payments and the balances of international payments.

Good progress was made at the conference and it is more than probable, that it will mark a turning on the part of the Empire to uniform statistics.

When you stop to think of it, world statistics are irrational. Every modern country keeps statistics but each nation hitherto has followed its own bent with the result that national statistics are sometimes as dissimilar as the languages spoken. The League of Nations has had a hand in bringing order out of this confusion. The recent conference at Ottawa, it is hoped, will be another important step in this direction.

Statistics and Prices

When you talk to Mr. Coats on this problem, you suddenly realize that next to the scientists who brought steam power, electricity, radio, aviation into the world's economic life—the statisticians are the people who are banishing distance, making the whole world kin. The kernels of fact resulting from their endless sifting of material are the life food of all our world markets today. Through the statistical services, for example, grain men are kept in constant touch with crop conditions the world over. And through all of the maze of essential commodities runs this wizardry of figures—cotton, wool, steel, tin, rubber, silk and so on. Blind fears of famine or shortage are eliminated; true price adjustments are made possible. As with world marketing, so with the smallest domestic problem.

Furnishes the Facts

Mr. Coats, in two generations devoted to the gathering and reporting of statistics, has been actuated by a single thought. His motto might well be an inscription on a monument in Leicester Square, London—"There is no darkness save ignorance." Whatever your problem, he says, get the facts.

Without the facts, all thinking and policy-making may be wrong. If you are considering unemployment in Canada, find out the numbers of unemployed, their whereabouts, their race, creed, avocations, ages, sex—everything that may be learned of them. And in the light of this information, frame your policy. If you are dealing with immigration, first know the blood composition of your people, study your crime statistics, your unemployment statistics—find out the people who make the best citizens and bring more of them. All these and other facts can be ascertained.

Unfortunately the world does not love statisticians. Individuals, whether they be politicians or merchants, seem to want, above all else, to follow their own hunches. Hence the task of building the Dominion Bureau of Statistics into its present state of perfection has not been an easy one. People only learn the value of statistics by experience. And experience invariably has to be paid for—as witness Canada's annual bills for wishful-thinking. But progress has been steady.

The Economic Council of Canada promises to furnish a new and practical outlet for the information accumulated by the Dominion Bureau of Statistics. It will act as a clearing house for facts concerning the various problems submitted to it and upon the reports which are made, governments will be able to base sound long range policies.

Once Dug For News

Mr. Coats is a Scot, born at Clinton, Ont. He was educated at the University of Toronto, being a classmate of Mackenzie King, Sir Edward Beatty and Arthur Meighen. After graduation he chose to be a newspaperman serving on W. F. "Billy" MacLean's World and the Globe. This was the Globe of Willison. He went to Ottawa as assistant editor of the Labor Gazette and his boss was the present Liberal leader. This period was one of intense study of Canada's problems. He wrote "Sir James Douglas" in the Makers of Canada series; "The Labor Movement in Canada," and "Canada and Its Provinces."

The Labor Department was then the hub of the Dominion's statistical services and in 1912 Mr. Coats made a detailed study of the duplication and overlapping in these services. A year later brought the enquiry into the high cost of living and his minority report made his reputation. In 1918 he became Dominion Statistician.

B. C. LUMBERMEN HOPE TO REGAIN JAPANESE MART

Look For Favorable Development Following Ottawa Change

From Our Own Correspondent

VANCOUVER. — Pulp manufacturers and lumber operators on this coast are hoping that the Mackenzie King Government will be able to bring about a termination of the trade war which has effectually eliminated Japan from their market.

If Mr. King adopts the policy he outlined during the pre-election campaign this hope may be realized. But it is recognized that there may be complications in the way of a return all the way to conditions prevailing before the prohibitory surtaxes were imposed. Japan is anxious to break into the Eastern Canadian market with her cheap manufactured goods and Mr. King may find so much opposition to such an invasion that he will be obliged to step warily in his negotiations with Nippon.

Hurt British Columbia

Loss of the Japanese market was the darkest blot on British Columbia's lumber trade record this year, but in spite of that the industry was able to roll up a substantial increase in value and production. By the end of the year production of forest industries in B. C. will probably total more than $50 millions—a considerable advance over last year although still well behind the boom peak of $90 millions.

Partly to offset reduction in sales to the Orient during the last few months, sawmills and shingle mills have enjoyed an improved rail movement. Lumber consumption in Eastern Canada and on the Prairies has been better and even with the high United States tariff acting as a deterrent, lower freight rates have enabled B. C. lumber to reach the American Atlantic seaboard in increasing volume. Pulp and paper production will probably be worth about $12.5 millions this year. This is approximately the value of the 1934 output, and this year would have shown a substantial increase had it not been for elimination of Japanese buying. Shingles are also selling in better volume.

B. C. Industries Outlook Reported Much Brighter

It is estimated that British Columbia industries will add gains of from eight to ten per cent this year above the combined value of their products for 1934. Estimated outputs for the four chief primary industries will total not less than $153.5 millions in 1935, compared with $142 millions last year. Lumber is estimated to be worth $50 millions, compared with $45 millions in 1934, mines, $44 millions compared with $42 millions last year, agriculture $43 millions compared with $39 millions a year ago. Fisheries expect an output valued at $16.5 millions compared with $15 millions in 1934.

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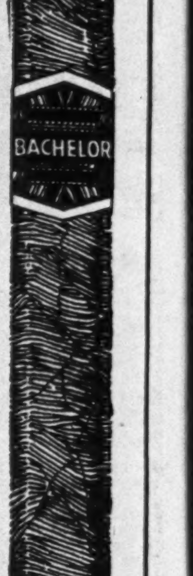

The BACHELOR'S CORNER

Thanksgiving..

I've got a lot to be thankful for this year. Good health, good spirits and good friends. The salary cut days seem to be definitely past, and men I meet everywhere are talking as though better times were coming round as surely as a stock salesman to a sweepstakes winner.

But it isn't so much in what people are saying as what they are doing that I can see the real underlying optimism. For example, have you noticed how many of the boys are getting back to Bachelors? I was chatting about it with the salesclerk at my favourite cigar store.

"I notice you're buying the packets of five now," he said.

"Yes," I replied, "and I'm saying with hundreds of Bachelor smokers every day,

'IT'S GOOD TO GET BACK TO A 10c. CIGAR!'"

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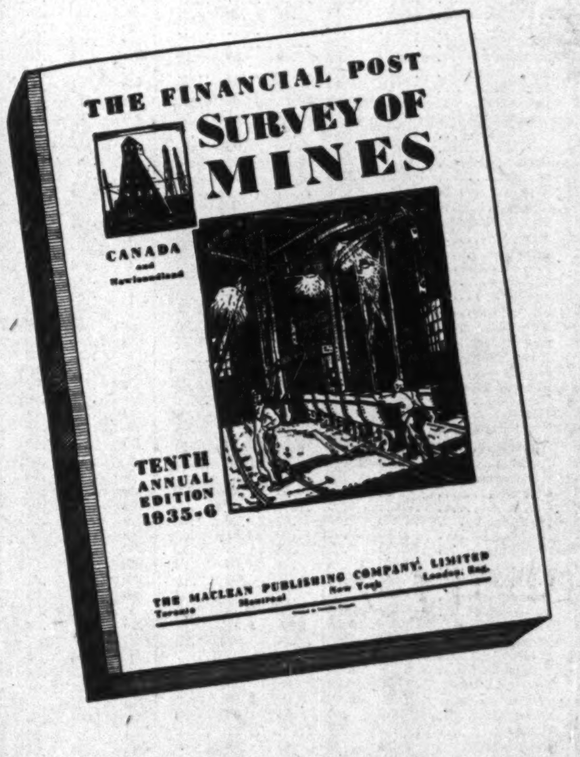

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